



The Deloitte Academy

Corporate governance disclosure checklist
for listed companies

For periods commencing on or after 1 January 2025

Contents

| | |
|--|-----------|
| Corporate Governance Disclosure Checklist | 1 |
| Detailed checklist | 6 |
| The Deloitte Centre for Corporate Governance | 40 |
| The Deloitte Academy | 41 |

Corporate Governance Disclosure Checklist

Corporate governance, broadly speaking, is the framework by which entities are directed and controlled. It aims to align the goals and actions of a company's board, management, and stakeholders in order to achieve sustainable success over the longer term.

The UK Corporate Governance system is complex, involving many different sets of requirements, which cover behaviours of company leadership and administrative matters as well as reporting requirements. This checklist sets out the reporting requirements impacting the annual report. Other requirements which do not impact on annual reporting, or which impact other written communications outside the annual report, have not been included.

This checklist is based on:

- (i) the UK Listing Rules that took effect on 29 July 2024;
- (ii) the Disclosure Guidance and Transparency Rules (DTR) on audit committees and corporate governance statements;
- (iii) the 2024 version of the UK Corporate Governance Code issued by the Financial Reporting Council (the Code);
- (iv) the FRC's online Corporate Governance Code Guidance (as at July 2024) (the Guidance);
- (v) The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

The UK Listing Rules

The UK Listing Rules requiring UK Corporate Governance Code disclosures apply only to companies with equity securities listed in the commercial companies or closed-ended investment fund categories i.e. not those with only debt securities, convertibles or preference shares listed, nor those with equity securities listed in other categories, such as the transition category. All companies with equity securities listed in the commercial companies or closed-ended investment fund categories, regardless of where they are incorporated, are required to apply the UK Listing Rules relating to corporate governance.

The UK Listing Rules contain references to the UK Corporate Governance Code. This refers to the UK Corporate Governance Code published in January 2024 by the Financial Reporting Council (the FRC), available at <https://www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code>.

We recommend that, if the company avails itself of an exemption, the following style of wording, adapted as appropriate, should be included in the annual report to avoid possible criticisms from those reviewing and commenting on the document.

"As the [company has only debt securities listed on the London Stock Exchange], it has availed itself of an exemption from the Financial Conduct Authority's requirement to make corporate governance disclosures and from auditor review thereof." (To be modified as appropriate.)

In the situation where a company is eligible for such an exemption, but the directors decide to provide all corporate governance disclosures in any case, we would recommend the inclusion of the following type of wording.

"The company is eligible for exemption from the Financial Conduct Authority's requirements relating to corporate governance disclosures but the directors have decided to provide such disclosures which are set out on page x/below."

The UK Listing Rules also require diversity disclosures. These apply to companies with securities listed in the commercial companies, closed-ended investment fund, international secondary listings, non-equity shares and non-voting equity shares and transition categories.

The Disclosure Guidance and Transparency Rules on audit committees and corporate governance statements (DTR 7)

DTR 7 implements parts of the Audit Directive, the Fourth and Seventh Company Law Directives, the Non-Financial Reporting Directive and part of the Shareholder Rights Directive into UK law. The requirements therefore continue to apply in the UK after IP completion day as EU-derived domestic law. The rules apply to issuers whose transferable securities¹ are admitted to trading on a UK regulated market (in any listing category). It should be noted that there is no 'comply or explain' element to these requirements – compliance is mandatory or FCA sanctions and penalties may apply. Despite this, there is some overlap between the requirements of DTR 7 and of the UK Corporate Governance Code.

DTR 7.1 applies to an issuer whose transferable securities are admitted to trading on a UK regulated market and which is required to appoint a statutory auditor (and as such does not apply to overseas issuers). It does not apply to [DTR 1B.1.3R]

- (1) any issuer which is a subsidiary undertaking of a parent undertaking where the parent undertaking is itself subject to DTR 7.1 and articles 11(1), 11(2) and 16(5) of the Audit Regulation. Note that the Audit Regulation is incorporated into UK law as direct retained EU law under the European Union Withdrawal Act 2018;
- (2) any issuer the sole business of which is to act as the issuer of asset-backed securities provided the entity makes a statement available to the public setting out the reasons for which it considers it is not appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee;
- (3) a credit institution whose shares are not admitted to trading and which has, in a continuous or repeated manner, issued only debt securities provided that:
 - a. the total nominal amount of all such debt securities remains below 100,000,000 Euros (references to Euros are not changed post IP completion day); and
 - b. the credit institution has not been subject to a requirement to publish a prospectus in accordance with Article 3 of the Prospectus Regulation (which is incorporated into UK law as direct retained EU law under the European Union Withdrawal Act 2018); or
- (4) UK undertakings for collective investment in transferable securities established in accordance with the UCITS Directive or an alternative investment fund.

Only the exemption for issuers of asset-backed securities requires an explanation of why no audit committee is required. However, it may also be helpful for companies availing themselves of a different exemption to provide an explanation. Example wording is provided on page 3.

Companies within the scope of DTR 7.1 are required to have a 'body or bodies' [DTR 7.1.1R] to be responsible, as a minimum, for: [DTR 7.1.3R]

- monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
- monitoring the effectiveness of the company's internal control and risk management systems, and internal audit where applicable, with regard to financial reporting;
- monitoring the performance of the statutory audit of the annual and consolidated accounts, taking into account any findings and conclusions by the FRC;
- reviewing and monitoring the independence of the statutory auditor, and in particular the appropriateness of the provision of non-audit services to the company;
- informing the board of the outcome of the statutory audit, explaining how the statutory audit contributed to the integrity of financial reporting and the role of the audit committee or other 'body or bodies' that has taken on that function in the process; and
- being responsible for the procedure for the selection of the statutory auditor and recommending the statutory auditor to be appointed.

¹ Transferable securities include equity, debt and certificates representing securities (i.e. depositary receipts).

DTR 7.2 applies to an issuer who is required to publish a corporate governance statement. This captures:

- (1) all UK companies whose transferable securities (which would include equity, debt and certificates representing securities (i.e. depositary receipts)) are traded on a UK regulated market [DTR 1B.1.5R];
- (2) as noted in DTR 1B.1.5AG, overseas incorporated companies with securities listed in the following listing categories: commercial companies and closed-ended investment funds [UKLR 6.6.18R], shell companies and SPACs [UKLR 13.3.24R], international secondary listings [UKLR 14.3.21R], non-equity shares and non-voting equity shares [UKLR 16.3.20R], transition [UKLR 22.2.21R], and those with depositary receipts representing equity shares [UKLR 15.3.1R(3) which in turn applies UKLR 14.3.24R]; and
- (3) overseas incorporated companies with equity listed in the open-ended investment funds category. [UKLR 12.3.8R].

Companies with only debt securities admitted to trading need only apply the internal control and risk management related disclosure requirements; they do not need to apply DTR 7.2.2R, 7.2.3R, 7.2.7R and 7.2.8AR. However, this exemption does not apply if the company also has shares traded on a UK multilateral trading facility (which would include the AIM and AQSE Exchange Growth Market companies). [DTR 1B.1.6R]

The DTR 7.2 requirements do not extend to overseas companies with only listed debt securities.

UKLR 6.6.18R states that an overseas company with a listing in the commercial companies category must comply with DTR 7.2 as if it were an issuer to which that section applies. Such a company which complies with UKLR 6.6.17R (i.e. by including the information in UKLR 6.6.6R(5) to (11)) will satisfy the requirements of DTR 7.2.2R and DTR 7.2.3R.

Companies that qualify as small or medium sized under company law or would qualify as this size if they were a UK company are exempt from the requirement to provide the diversity disclosures in DTR 7.2.8AR. [DTR 1B.1.7R and DTR 1B.1.8].

We recommend that, if the company avails itself of an exemption, the following style of wording, adapted as appropriate, should be included in the annual report to avoid possible criticisms from those reviewing and commenting on the document.

“As the [company has debt traded on the Professional Securities Market, which is not a regulated market for the purposes of the MiFID II Directive and other EU-derived domestic legislation], it has availed itself of an exemption from the Financial Conduct Authority’s requirement to [provide a corporate governance statement].” (To be modified as appropriate.)

In the situation where a company is eligible for such an exemption, but the directors decide to provide all corporate governance disclosures in any case, we would recommend the inclusion of the following type of wording.

“The company is eligible for exemption from the Financial Conduct Authority’s requirements relating to corporate governance disclosures but the directors have decided to provide such disclosures which are set out on page x/below.”

DTR 7.3 implements part of the Shareholder Rights Directive on related party transactions. There are no annual report disclosure requirements in DTR 7.3 and therefore it does not form part of this checklist.

Under DTR 4.1.14R, the annual report will need to be prepared using the single electronic reporting format which will be the principal reporting document under the Transparency Directive and will require boards to consider their governance over the XHTML/XBRL version of the annual report.

The UK Corporate Governance Code

The 2024 version of the Code has limited and focused revisions. Most of the 2024 version of the Code takes effect for periods commencing on or after 1 January 2025. However, Provision 29 of the 2024 Code only starts to apply for financial years beginning on or after 1 January 2026. Until then, Provision 29 of the 2018 Code applies.

Some of the disclosures set out by the 2024 version of the Code will sit more naturally in the strategic report than in the corporate governance statement under the annual report framework used by many companies; sufficient linkage and cross-referencing will be important. The Introduction to the 2024 UK Corporate Governance Code explains:

“Corporate governance reporting should relate to other parts of the annual report and other complementary information, for example, a sustainability report, so that shareholders can effectively assess the quality of the company’s governance arrangements and the board’s activities and contributions. Where appropriate, cross referencing such information is beneficial to avoid duplication within the annual report.”

This checklist covers those aspects of the 2024 UK Corporate Governance Code that deal with the disclosures required to be made by the board or by board committees. It does not cover all the other requirements of the Code, which relate to processes within the company.

This disclosure checklist does not include material on the detailed requirements for disclosure of directors’ remuneration, many of which are included in legislation rather than the Code. Helpful resources for directors’ remuneration disclosures and other governance requirements relating to directors’ remuneration are available on our website: <https://www.iasplus.com/en-gb/collections/directors-remuneration>.

Securities Exchange Commission (SEC) registrants will need to give consideration to additional US requirements, including those arising from the Sarbanes-Oxley Act.

Corporate Governance Code Guidance

The FRC’s online Corporate Governance Code Guidance (the Guidance) was issued in January 2024 to support companies in their application of the Code. The Code also now includes links to this online Guidance. The FRC stresses that the Guidance should not be viewed as part of the Code and should not be seen as a requirement of the FRC. It is aimed at contributing helpful context to a board’s consideration of how they might go about complying with the Code. The Guidance incorporates and replaces previously published FRC guidance, namely the Guidance on Board Effectiveness, Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and Guidance on Audit Committees.

Audit Committees and the External Audit: Minimum Standard

Audit Committees and the External Audit: Minimum Standard (the Minimum Standard) was issued by the Financial Reporting Council in May 2023 as a response to the Government’s consultation on Restoring Trust in Audit and Corporate Governance. The Minimum Standard covers areas relating to the audit committee’s oversight of the external audit, principally audit tendering and the effectiveness of the external audit process. The 2024 version of the UK Corporate Governance Code gives effect to the Minimum Standard through Provision 25 of the Code covering the work of the audit committee in relation to external audit, making following the Minimum Standard a responsibility of the audit committee.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 (the CMA Order) was issued by the Competition & Markets Authority in 2014 following its market investigation into statutory audit services for large companies. The CMA Order requires FTSE 350 audit committees to include a statement of compliance with the provisions of this Order in each annual audit committee report, with additional audit committee report disclosures where there has not been a competitive tender for five consecutive financial years.

Other considerations

AIC Code

The AIC Code of Corporate Governance (the AIC Code) sets out a framework of best practice in respect of the governance of investment companies. The 2024 AIC Code applies to accounting periods beginning on or after 1 January 2025, with the exception of Provision 34. This provision is applicable for accounting periods beginning on or after 1 January 2026. A note to this effect has been added in Provision 34.

For closed-ended investment funds that are members of AIC, the FRC has confirmed that reporting against the AIC Code will meet their obligations in relation to the Code. This endorsement means that AIC member companies may also make a statement that, by reporting effectively against the AIC Code they are meeting their obligations under the Code (and associated disclosure requirements under the UK Listing Rules) and as such are not required to report further on issues contained in the UK Code, unless they wish to do so on a voluntary basis.

AIM companies

Companies that have securities traded on the Alternative Investment Market ('AIM') are required to prepare annual reports in accordance with the AIM Rules of the London Stock Exchange (which should not be confused with the UK Listing Rules). These rules do not require AIM companies to make disclosures about compliance with the UK Corporate Governance Code, although AIM Rule 26 requires AIM companies to disclose details of a recognised corporate governance code that the board of directors has decided to apply, how the company complies with that code, and where it departs from its chosen corporate governance code an explanation of the reasons for doing so.

One way of generating investor confidence is by adopting the UK Corporate Governance Code, insofar as it can apply to AIM companies. A number of other Codes have been established for the use of smaller-sized companies, including the Quoted Companies Alliance (QCA) Code, which was last updated in 2023, for financial years beginning on or after 1 April 2024. Some AIM companies may choose to use these or other recognised corporate governance codes to meet their reporting obligations.

Smaller listed companies

A few of the UK Corporate Governance Code provisions do not apply to companies below the FTSE 350. These are indicated where relevant in the checklist.

Unlisted companies

UK companies that exceed certain size criteria are required to provide a Statement of Corporate Governance Arrangements in their directors' report under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7. These regulations do not require companies to make disclosures about compliance with the UK Corporate Governance Code, although they do require companies to state which code they applied during the financial year, if any, along with how they applied the code and any departures, and if they have not applied a code, the reason for that decision and an explanation of what arrangements were in place for the year. Most unlisted companies that report on a code apply the Wates Principles rather than the UK Corporate Governance Code.

Other disclosures

The checklist focuses on disclosure in the annual report. The board may wish to make further disclosure in the corporate website or in other communications, either for shareholders or for engagement with other stakeholders.

Key

We have formatted this checklist to assist you in understanding the authority of the different points. The checklist includes requirements and also good practice recommendations.

Disclosure requirements – **bold**

Code Principles – rows highlighted in blue

Good practice recommendations – *italics*

Supporting guidance – no bold or italics

Detailed checklist

| The UK Listing Rules | | Reference | Included? | | |
|--|---|---------------------------|-----------|----|-----|
| Narrative statement on appliance of the Code | | | | | |
| 1. | A statement of how the listed company has applied the Principles set out in the UK Corporate Governance Code, in a manner that would enable shareholders to evaluate how the Principles have been applied. | UKLR 6.6.6R(5) | Yes | No | N/A |
| | A brief bland statement will not suffice. Directors should satisfy themselves that all the Principles (see below) are sufficiently covered in the narrative. | | | | |
| | Reporting should cover the application of the Principles in the context of the particular circumstances of the company, including how the board has set the company's purpose and strategy, met objectives and achieved outcomes through the decisions it has taken. | Introduction to 2024 Code | | | |
| | It is important to report meaningfully when discussing the application of the Principles and to avoid boiler-plate reporting. The focus should be on how these have been applied, articulating what action has been taken and the resulting outcomes. | Introduction to 2024 Code | | | |
| | High-quality reporting will include signposting and cross-referencing to relevant parts of the annual report. This will help investors with their evaluation of company practices. | Introduction to 2024 Code | | | |
| | Corporate governance reporting should relate to other parts of the annual report and other complementary information, for example, a sustainability report, so that shareholders can effectively assess the quality of the company's governance arrangements and the board's activities and contributions. Where appropriate, cross referencing such information is beneficial to avoid duplication within the annual report. | Introduction to 2024 Code | | | |

| The UK Listing Rules | Reference | Included? |
|--|----------------|------------|
| Statement of compliance with the Code | | |
| <p>2. A statement as to whether the listed company has:</p> <p>(a) complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code; or</p> <p>(b) not complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code and if so, setting out:</p> <p>(i) those provisions, if any, it has not complied with;</p> <p>(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and</p> <p>(iii) the company's reasons for non-compliance.</p> | UKLR 6.6.6R(6) | Yes No N/A |
| <p>Suggested wording is as follows:</p> <p><i>"Throughout the year ended [date] the company has been in compliance with the provisions set out in the 2024 UK Corporate Governance Code [except for the following matters]."</i></p> <p>In the Introduction to the 2024 UK Corporate Governance Code, the FRC explained that companies may depart from the Code for a number of reasons, for example the size, complexity, history and ownership structure of a company. Explanations should be a positive opportunity to communicate, not an onerous obligation.</p> <p>In February 2021, the FRC issued a report "Improving the Quality of 'Comply or Explain' Reporting", which clarified that a meaningful explanation should include the following:</p> <ul style="list-style-type: none"> – set the context and background; – give a convincing rationale for the approach being taken; – consider any risks and describe any mitigating actions; and – where a departure is intended to be limited in time, indicate when the company expects to conform to the Provision. <p>The Introduction to the 2024 UK Corporate Governance Code adds that companies should set out the impact the departure has had.</p> <p>"Improving the Quality of 'Comply or Explain' Reporting" adds that, where there is non-compliance, there should be a clear statement with the name of the provisions which have not been complied with, the period during which non-compliance continued and clear and meaningful explanations for departures from the Code. Companies should provide the explanation for non-compliance in one of the following ways:</p> <ol style="list-style-type: none"> as part of the compliance statement (particularly when the company has only departed from one or two Provisions); or signpost to another page/section of the annual report, where the reader can easily find the explanation. <p>The UK Listing Rules do not prescribe where the statement of compliance should be given. It will usually be located together with the narrative statement about how the Principles have been applied. This is often a separate corporate governance statement but it may be part of the directors' report. The statement of compliance is usually positioned either at the beginning or at the end of the corporate governance statement.</p> <p>The former treatment gives the statement a higher profile but the latter treatment enables the statement to be set in the context of the narrative discussion. Either is acceptable.</p> <p>N.B. A listed company which complies with UKLR 6.6.6R(6) (the comply or explain rule in relation to the Code) will satisfy the requirements of DTR 7.2.2R and 7.2.3R.</p> | | |
| | DTR 7.2.4G | |

| The UK Listing Rules | | Reference | Included? | | |
|---|---|----------------|-----------|----|-----|
| Statements on going concern and longer term viability | | | | | |
| 3. | Statements by the directors on: | UKLR 6.6.6R(3) | Yes | No | N/A |
| | (a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in Provision 30 of the UK Corporate Governance Code); and | | | | |
| | (b) their assessment of the prospects of the company (containing the information set out in Provision 31 of the UK Corporate Governance Code). | | | | |
| | This UK Listing Rule requirement does not apply to non-UK incorporated companies. However, overseas incorporated companies with equity securities listed in the commercial companies or closed-ended investment funds categories are required to report on compliance with the Code, and so will be required to make a statement under Code provisions 30 and 31 unless they disclose this as a departure from the Code and give reasons. | | | | |
| | The UK Listing Rules were updated in March 2025, prior to which these statements were required to be prepared in line with relevant FRC guidance. Although this is no longer the case, to assist issuers, the UK Listing Rule contains a note linking to the online Guidance that supports the UK Corporate Governance Code and may be consulted as required. | | | | |
| | N.B. A company that reports on Code provisions 30 and 31 will satisfy the requirements of UKLR 6.6.6R(3). | UKLR 6.6.6R(3) | | | |

| The UK Listing Rules | Reference | Included? |
|---|----------------|---|
| <p>4. A statement in their annual financial report setting out whether the listed company has met specific board diversity targets on a 'comply or explain' basis, as at a chosen reference date within their accounting period and, if they have not met the targets, why not.</p> <p>Targets are:</p> <ul style="list-style-type: none"> (1) At least 40% of the board are women. (2) At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is held by a woman (3) At least one member of the board is from a minority ethnic background (which is defined by reference to categories recommended by the Office for National Statistics (ONS)) excluding those listed, by the ONS, as coming from a White ethnic background). <p>The statement covering the requirements of the UK Listing Rule should be clear and identifiable.</p> <p>The statement should set out which targets above the company has not met, if any, and the reasons for not meeting those targets. (UKLR 6.6.6R(9)(b)) Users of the annual report may also expect the statement to set out a plan or timeline for meeting the targets.</p> <p>If board composition has changed between the reference date of the statement and the date of approving the annual report, the statement should set out any changes to the board that have affected the company's ability to meet one or more of the targets set out above and clearly specify which targets they affect. (UKLR 6.6.6R(9)(d)).</p> <p>The statement should indicate a chosen reference date within the accounting period, i.e. within the period/year covered by the annual report. If the date chosen is not the year end date, an explanation as to why would be helpful disclosure. For second and subsequent periods of reporting, where the reference date is different from the reference date used for the previous accounting period, this should be stated and an explanation provided as to why. (UKLR 6.6.6R(9)(c))</p> <p>Overseas companies with equity securities listed in the commercial companies or closed-ended investment funds categories are also required to provide this disclosure. (UKLR 6.6.17R)</p> <p>Companies with securities listed in the following categories are required to provide the same disclosure: international secondary listings (UKLR 14.3.30R), non-equity shares and non-voting equity shares (UKLR 16.3.29R), transition (UKLR 16.3.29R).</p> <p>If the company is a closed-ended investment fund, instead of setting out whether it has met the target (ii) in respect of senior board positions, it may instead set out the reasons why this matter is inapplicable to the company. (UKLR 11.4.23R and UKLR 22.2.35R)</p> <p>This UK Listing Rule requirement does not apply to open-ended investment companies, shell companies, special purpose acquisition companies (SPACs), or to entities with listings of debt securities, convertibles, preference shares and certificates representing securities (i.e. depositary receipts).</p> | UKLR 6.6.6R(9) | <div>Yes</div> <div>No</div> <div>N/A</div> |

| The UK Listing Rules | Reference | Included? |
|---|-------------------------------------|------------|
| 5. Numerical data on the sex or gender identity and ethnic diversity of their board, senior board positions (Chair, CEO, SID and CFO) and executive management is published in a standardised table format. | UKLR 6.6.6R (10) UKLR 6 Annex 1R | Yes No N/A |

Numerical reporting table formats set out in UKLR 6 Annex 1R are as follows:

Table 1: Reporting table on gender identity or sex

| | Number of board members | Percentage of the board | Number of senior positions on the board (CEO, CFO, SID and Chair) | Number in executive management | Percentage of executive management |
|-------------------------------------|-------------------------|-------------------------|---|--------------------------------|------------------------------------|
| Men | | | | | |
| Women | | | | | |
| [Other categories] | | | | | |
| Not specified/ prefer not to say | | | | | |

Table 2: Reporting table on ethnic background

| | Number of board members | Percentage of the board | Number of senior positions on the board (CEO, CFO, SID and Chair) | Number in executive management | Percentage of executive management |
|--|-------------------------|-------------------------|---|--------------------------------|------------------------------------|
| White British or other White (including minority-white groups) | | | | | |
| Mixed/ Multiple ethnic groups | | | | | |
| Asian/Asian British | | | | | |
| Black/ African/ Caribbean/ Black British | | | | | |
| Other ethnic group, including Arab | | | | | |
| Not specified/ prefer not to say | | | | | |

| The UK Listing Rules | Reference | Included? |
|---|-----------|-----------|
| <p>The first data table allows companies flexibility to choose whether to report on gender identity or on sex and they should indicate which, ideally in the heading to the table. The placeholder for “other categories” in this table is optional and may be used to indicate additional clearly labelled categories OR may be deleted. The FCA notes in UKLR 6.6.14G that there are a range of possible approaches to data collection and a company may add to the categories in order to reflect the basis on which it has collected data.</p> <p>Executive management is defined as the executive committee or most senior executive or managerial body below the board (or where there is no such formal committee or body, the most senior level of managers reporting to the chief executive), including the company secretary but excluding administrative and support staff.</p> <p>Both data tables should be presented as at the reference date used for the statement discussed above (which may not be the annual report date). This date should be clearly indicated.</p> <p>Overseas companies with equity securities listed in the commercial companies or closed-ended investment funds categories are also required to provide this disclosure. (UKLR 6.6.17R)</p> <p>Companies with securities listed in the following categories are required to provide the same disclosure: international secondary listings (UKLR 14.3.30R), non-equity shares and non-voting equity shares (UKLR 16.3.29R), transition (UKLR 22.2.30R).</p> <p>Where individuals on a listed company’s board or in its executive management are situated overseas, and data protection laws in that jurisdiction prevent the collection or publication of some or all of the personal data required to be disclosed under that provision, then a listed company may instead explain the extent to which it is unable to make the relevant disclosures. (UKLR 6.6.13R; UKLR 14.3.31R; UKLR 16.3.30R; UKLR 22.2.31R)</p> <p>If the company is a closed-ended investment fund and has set out why the target (ii) above in respect of senior board positions is inapplicable to the company under UKLR 11.4.23R, it may also amend the two tables to remove the columns relevant to that target.</p> <p>In addition, when including the numerical data required by UKLR 6.6.6R(10) in its annual financial report, a closed-ended investment fund need not include the fields in the first row of each of the tables and the corresponding data for those fields, that are inapplicable to the closed-ended investment fund, if it sets out in a statement accompanying the numerical data the reasons why those fields are inapplicable. (UKLR 11.4.24R and UKLR 22.2.36R)</p> <p>This UK Listing Rule requirement does not apply to open-ended investment companies, shell companies, special purpose acquisition companies (SPACs), or to entities with listings of debt securities, convertibles, preference shares and certificates representing securities (i.e. depositary receipts)).</p> | | |

| The UK Listing Rules | Reference | Included? |
|---|------------------|--------------------------|
| <p>6. A statement setting out an explanation of the listed company's approach to collecting the data used for the purposes of making the disclosures in UKLR 6.6.6 R(9) and (10).</p> <p>This refers to an explanation of the approach for collecting the data both on disclosure of whether the company has met the diversity targets and in respect of the data tables – see 4 and 5 above.</p> <p>The expectation is that there is consistency in approach across the individuals being reported on, and for reporting against the targets and numerical disclosures. (UKLR 6.6.15G)</p> <p>The FCA expects the explanation of a listed company's approach to data collection to include the method of collection and/or source of the data, and where data collection is done on the basis of self-reporting by the individuals concerned, a description of the questions asked. (UKLR 6.6.15G)</p> <p>Overseas companies with equity securities listed in the commercial companies or closed-ended investment funds categories are also required to provide this disclosure. (UKLR 6.6.17R)</p> <p>Companies with securities listed in the following categories are required to provide the same disclosure: international secondary listings (UKLR 14.3.30R), non-equity shares and non-voting equity shares (UKLR 16.3.29R), transition (UKLR 22.2.30R).</p> <p>This UK Listing Rule requirement does not apply to open-ended investment companies, shell companies, special purpose acquisition companies (SPACs), or to entities with listings of debt securities, convertibles, preference shares and certificates representing securities (i.e. depositary receipts).</p> | UKLR 6.6.6R (11) | <p>Yes No N/A</p> |

| The UK Listing Rules | | Reference | Included? | | |
|--|---|------------|-----------|----|-----|
| The Disclosure Guidance and Transparency Rules | | | | | |
| 7. | A statement disclosing which body carries out the functions required by DTR 7.1.3R and how it is composed. | DTR 7.1.5R | Yes | No | N/A |
| DTR 7.1.3R sets out the following matters that the statement should cover. | | | | | |
| An issuer must ensure that, as a minimum, the relevant body must: | | | | | |
| (1) monitor the financial reporting process and submit recommendations or proposals to ensure its integrity.monitor the effectiveness of the issuer’s internal control, internal audit where applicable, and risk management systems and, where applicable, its internal audit, regarding the financial reporting of the issuer, without breaching its independence; | | | | | |
| (2) monitor the statutory audit of the annual and consolidated accounts; | | | | | |
| (3) review and monitor the independence of the statutory auditor and, in particular, the provision of additional services to the issuer, in particular, its performance, taking into account any findings and conclusions by the Financial Reporting Council; | | | | | |
| (4) inform the administrative or supervisory body of the issuer of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting and what the role of the relevant body was in that process; and | | | | | |
| (5) be responsible for the procedure for the selection of statutory auditor(s) and recommend the statutory auditor(s) to be appointed in accordance with article 16 of the Audit Regulation. | | | | | |
| N.B. A company that reports on Code Provision 14 and 26 will statisfy the disclosure requirements of DTR 7.1.5R except as regards disclosing how the body which carries out the functions required by DTR 7.1.3R is composed. [DTR 7.1.7G] | | | | | |

| The UK Listing Rules | | Reference | Included? | | |
|--|--|-------------------------|-----------|----|-----|
| The Disclosure Guidance and Transparency Rules | | | | | |
| 8. | <p>A statement containing reference to:</p> <p>(1) the corporate governance code to which the issuer is subject; and/or</p> <p>(2) the corporate governance code which the issuer may have voluntarily decided to apply; and/or</p> <p>(3) all relevant information about the corporate governance practices applied beyond the requirements under national law.</p> <p>Where 1) or 2) above apply, the statement must include where the relevant corporate governance code is publicly available. In addition, to the extent that the issuer departs from (or does not apply) that corporate governance code, an explanation of which parts of the corporate governance code it departs from (or does not apply) and the reasons for doing so.</p> <p>Where 3) above applies, the statement must include details of where the corporate governance practices applied can be found.</p> <p>DTR 7.2.1 R states that the issuer must include a corporate governance statement as a specific section of its directors' report. DTR 7.2.9R states that an issuer may elect that, instead of including its corporate governance statement in its directors' report, the information required by DTR 7.2.1 R to DTR 7.2.7R may be set out:</p> <p>(1) in a separate report published together with and in the same manner as its annual report. In the event of a separate report, the corporate governance statement must contain either the information required by DTR 7.2.6R (see below) or a reference to the directors' report where that information is made available; or</p> <p>(2) by means of a reference in its directors' report to where such document is publicly available on the issuer's website.</p> | DTR 7.2.2R & DTR 7.2.3R | Yes | No | N/A |
| <p>An issuer that elects to include its corporate governance statement in a separate report as permitted by DTR 7.2.9R(1) (above) must provide the information required by DTR 7.2.10R (see below) in that report.</p> <p>It is important to remember that presenting the corporate governance statement as a separate report places that statement outside of the disclosures covered by the directors' liability protection provisions of the Companies Act 2006 and could lead to additional audit implications. It is recommended that a cross reference be made to include the corporate governance statement within the scope of the directors' report.</p> <p>N.B. A listed company which complies with UKLR 6.6.6R(6) (the comply or explain rule in relation to the Code) will satisfy the requirements of DTR 7.2.2R and 7.2.3R.</p> | | DTR 7.2.11R | | | |
| 9. | <p>A statement containing a description of the main features of the issuer's internal control and risk management systems in relation to the financial reporting process.</p> <p>An issuer which is required to prepare a group directors' report within the meaning of section 415(2) of the Companies Act 2006 must include in that report a description of the main features of the group's internal control and risk management systems in relation to the process for preparing consolidated accounts. In the event that the issuer presents its own annual report and its consolidated annual report as a single report, this information must be included in the corporate governance statement.</p> | DTR 7.2.5R | Yes | No | N/A |
| | | DTR 7.2.10R | | | |

| The UK Listing Rules | | Reference | Included? | | |
|--|---|--|-----------|----|-----|
| The Disclosure Guidance and Transparency Rules | | | Yes | No | N/A |
| 10. | <p>Where applicable, the statement must contain information required by paragraph 13(2)(c), (d), (f), (h) and (i) of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (see below).</p> <p>This applies to a UK incorporated company with securities with voting rights admitted to trading on a UK regulated market.</p> <p>Extract from para 13(2), Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008:</p> <p>(c) in the case of each person with a significant direct or indirect holding of securities in the company, such details as are known to the company of:</p> <ul style="list-style-type: none"> (i) the identity of the person, (ii) the size of the holding, and (iii) the nature of the holding. <p>(d) in the case of each person who holds securities carrying special rights with regard to control of the company:</p> <ul style="list-style-type: none"> (i) the identity of the person, and (ii) the nature of the rights. <p>(f) any restrictions on voting rights, including in particular:</p> <ul style="list-style-type: none"> (i) limitations on voting rights of holders of a given percentage or number of votes, (ii) deadlines for exercising voting rights, and (iii) arrangements by which, with the company's co-operation, financial rights carried by securities are held by a person other than the holder of the securities. <p>(h) any rules that the company has about:</p> <ul style="list-style-type: none"> (i) appointment and replacement of directors, or (ii) amendment of the company's articles of association. <p>(i) the powers of the company's directors, including in particular any powers in relation to the issuing or buying back of the company of its shares.</p> | DTR 7.2.6R | | | |
| 11. | <p>The statement must contain a description of the composition and operation of the issuer's administrative, management and supervisory bodies and their committees.</p> <p>The administrative, management and supervisory bodies relates to the unitary board itself. The wording is designed to capture other forms of board that are more common outside the UK.</p> <p>Companies with only debt securities admitted to trading on a UK regulated market that do not have shares admitted to trading on a regulated market or a UK multi-lateral trading facility (e.g. AIM and AQSE Exchange Growth Market companies) are exempt from this requirement.</p> <p>N.B. A listed company that meets the disclosure requirements of provisions 14, 20, 23, 26, 35 and 41 of the Code will satisfy the requirements of DTR 7.2.7R to describe the operation of the board and committees. It will still need to meet the requirements regarding composition of the board and committees.</p> | <p>DTR 7.2.7R</p> <p>DTR 1B.1.6R</p> <p>DTR 7.2.8G</p> | | | |

| The UK Listing Rules | | Reference | Included? | | |
|--|---|-------------|-----------|----|-----|
| The Disclosure Guidance and Transparency Rules | | | | | |
| 12. | <p>The statement must contain a description of the diversity policy applied to the company's administrative, management and supervisory bodies and the remuneration, audit and nomination committees of those bodies with regard to aspects such as, for instance, age, gender, ethnicity, sexual orientation, disability, educational and professional backgrounds; the objectives of this policy; how the policy has been implemented and the results during the reporting period; or, if the company has no diversity policy, an explanation why that is the case.</p> <p>The administrative, management and supervisory bodies relates to the unitary board itself.</p> <p>The wording is designed to capture other forms of board that are more common outside the UK, as this requirement first arose from the UK implementation of the EU NFR Directive. For periods commencing on or after 1 April 2022, the disclosure should also capture the board's remuneration, audit and nomination committees.</p> <p>For the purposes of this description, companies may choose to include numerical data on board and committee diversity, however this is not a requirement.</p> <p>In practice, companies may make elements of this disclosure already, either in nomination committee reports under Code provision 23 or in the Strategic Report and in that case suitable enhancements and cross-references may be added to satisfy the requirement.</p> <p>Companies that qualify as small or medium sized under company law or would qualify as such if they were UK companies are exempt from this requirement.</p> | DTR 7.2.8AR | Yes | No | N/A |

| UK Corporate Governance Code | | Reference | Included? | | |
|--|---|-------------|-----------|----|-----|
| Board leadership and company purpose | | | | | |
| Principles | | | | | |
| N.B. UKLR 6.6.6R(5) requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes. | | | | | |
| See item 1 of this checklist for FRC guidance on how to approach this disclosure. | | | | | |
| 13. | A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them. | Principle A | Yes | No | N/A |
| 14. | The board should establish the company’s purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture. | Principle B | Yes | No | N/A |
| 15. | Governance reporting should focus on board decisions and their outcomes in the context of the company’s strategy and objectives. Where the board reports on departures from the Code’s provisions, it should provide a clear explanation. | Principle C | Yes | No | N/A |
| 16. | In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties. | Principle D | Yes | No | N/A |
| 17. | The board should ensure that workforce policies and practices are consistent with the company’s values and support its long-term sustainable success. The workforce should be able to raise any matters of concern. | Principle E | Yes | No | N/A |
| In explaining how the board has applied Code Principles A – E we would expect the corporate governance statement to cover: | | | | | |
| <ul style="list-style-type: none">– Clear acknowledgement that the board understands its role to deliver the success of the company both in terms of value for shareholders <u>and</u> contributions to wider society.– The checks and balances used by the board to ensure delivery of the company strategy within an agreed risk appetite. (Links to Principle O)– The board’s role in establishing the company’s purpose and reinforcing the delivery of that purpose through their behaviours and consistent messaging on values and strategy. (Links to Provision 2)– The way that the actions and other observable outcomes of board decisions align with the company’s strategy and objectives, with disclosure where expected outcomes may change over time or may not have immediately observable outcomes.– Clear explanations where the board reports on departures from the Provisions of the Code. (See item 2 of this checklist)– The board’s approach to engaging with shareholders. (Links to Provisions 3 and 4)– The board’s role in stakeholder engagement, how effective two-way communication channels are established with these parties and and the board’s assessment of the success of engagements with each stakeholder group. (Links to Provision 5)– The board’s oversight and awareness of workforce policies and practices throughout the organisation, together with how the board has measured the engagement with each stakeholder group. (Links to Provisions 6 and 33) | | | | | |

| UK Corporate Governance Code | | Reference | Included? | | |
|------------------------------|---|-------------|-----------|----|-----|
| 18. | <p><i>The chair has a key role to play in representing the company to its key stakeholders and is encouraged to report personally in the annual report about board leadership and effectiveness.</i></p> <p>The chair will usually write an introductory letter to shareholders or a preface to introduce the corporate governance section. Some chairs also choose to include comments on corporate governance in the Chair's Statement that is usually included towards the front of the annual report.</p> <p>NB: the omission of encouraged disclosures will not constitute a departure from the Code.</p> | Guidance 14 | Yes | No | N/A |
| 19. | <p>The board should describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy.</p> <p>Most of the Code requirements will ordinarily be met by the description of a company's business model and strategy required by Section 414C(8) (a) and (b) of the Companies Act 2006. Guidance as to the matters that should be considered in an explanation of the business model and strategy is provided in the FRC's 'Guidance on the Strategic Report'.</p> <p>The description of how the company's governance contributes to the delivery of its strategy is likely to be disclosed separately from the business model and may fit best in the corporate governance statement.</p> | Provision 1 | Yes | No | N/A |
| 20. | <p>The annual report should explain the board's activities and any action taken in relation to its assessment and monitoring of culture and how the desired culture has been embedded.</p> | Provision 2 | Yes | No | N/A |
| 21. | <p>In addition, the annual report should include an explanation of the company's approach to investing in and rewarding its workforce.</p> <p>The Guidance (paragraph 52) explains that communication and engagement will involve those with formal contracts of employment (permanent, fixed-term and zero-hours) and other members of the workforce who are affected by the decisions of the board. The Guidance also explains that the use of 'workforce' is for Code purposes and not meant to align with legal definitions of workforce, employee, worker or similar..</p> | Provision 2 | Yes | No | N/A |
| 22. | <p>The board should provide a final summary in the annual report on what impact shareholder feedback has had on the decisions the board has taken and any actions or resolutions proposed when 20 per cent or more of votes have been cast against the board recommendation for a resolution in the period since the last annual report.</p> | Provision 4 | Yes | No | N/A |

| UK Corporate Governance Code | Reference | Included? |
|--|-------------|------------|
| | | Yes No N/A |
| <p>23. The board should describe in the annual report how the views of the company's other key stakeholders and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making.</p> <p>UK companies will fall within scope of section 414CZA of the Companies Act 2006 which requires a strategic report for a financial year of a company to include a statement which describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172. The requirement under Code provision 5 also applies to non-UK companies that report on their compliance with the Code.</p> <p>Section 172 requires that "a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:</p> <ul style="list-style-type: none"> (a) the likely consequences of any decision in the long term; (b) the interests of the company's employees; (c) the need to foster the company's business relationships with suppliers, customers and others; (d) the impact of the company's operations on the community and the environment; (e) the desirability of the company maintaining a reputation for high standards of business conduct; and (f) the need to act fairly as between members of the company." <p>In order to meet the Code provision, the board not only needs to identify the key stakeholders and understand their views, but also to explain how those views have been considered in board discussions and board decision-making. It also needs to set out how those matters set out in Section 172 that do not relate directly to stakeholders have been considered in board discussions and board decision-making.</p> <p>Although it is not a required disclosure, boards may also choose to set out how they meet the requirement in Provision 5 to keep engagement mechanisms under review so that they remain effective.</p> <p>Further guidance as to the matters that should be considered in the board's reporting on the directors' duty under Section 172 is provided in the FRC's Guidance on the Strategic Report.</p> | Provision 5 | |

| UK Corporate Governance Code | Reference | Included? |
|---|-------------|------------|
| <p>24. For engagement with the workforce, one or a combination of the following methods should be used:</p> <ul style="list-style-type: none"> • a director appointed from the workforce; • a formal workforce advisory panel; • a designated non-executive director. <p>If the board has not chosen one or more of these methods, it should explain what alternative arrangements are in place and why it considers that they are effective.</p> <p>Although there is no explicit disclosure requirement under the Code to explain what arrangements are in place if the board has chosen to use one or a combination of the three methods set out in Provision 5, in practice most companies will choose to do so. The focus of the disclosure should, however, be on the outcomes of the engagement with the workforce and the impact it has on board actions, debate and decision-making.</p> <p>See 18 above for definition of the workforce.</p> | Provision 5 | Yes No N/A |
| <p>25. <i>There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously. The board should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.</i></p> <p>Although there is no explicit disclosure requirement under the Code, in practice most companies will include some disclosure regarding the approach to whistleblowing, protection for whistleblowers and in some cases qualitative or quantitative detail about investigations undertaken.</p> | Provision 6 | Yes No N/A |
| <p>26. <i>The board should take action to identify and manage conflicts of interest, including those resulting from significant share-holdings, and ensure that the influence of third parties does not compromise or override independent judgement.</i></p> <p>Although there is no explicit disclosure requirement under the Code, in practice a complete report will explain approach to identifying and managing conflicts of interest, including any specific actions taken during the period.</p> | Provision 7 | Yes No N/A |

| Division of responsibilities | | Reference | Included? | | |
|--|--|-------------|-----------|----|-----|
| Principles N.B. UKLR 6.6.6R(5) requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes. See item 1 of this checklist for FRC guidance on how to approach this disclosure. | | | | | |
| 27. | The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information. | Principle F | Yes | No | N/A |
| 28. | The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business. | Principle G | Yes | No | N/A |
| 29. | Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. | Principle H | Yes | No | N/A |
| 30. | The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. | Principle I | Yes | No | N/A |
| In explaining how the board has applied Code Principles F – I we would expect the corporate governance statement to cover: <ul style="list-style-type: none"> – The role and responsibilities of the chairman. – The role and responsibilities of the chief executive. – The role and responsibilities of the non-executive directors. (Links to Provision 13) – The role of the company secretary. (Links to Provision 16) – The composition of the board including clear judgements on the independence of the non-executive directors. (Links to Provision 11) – How the other time commitments of board members (both existing and potential) are assessed to determine that each has sufficient time to meet their board responsibilities. (Links to Provision 15) – An overview of the policies and processes adopted by the board to facilitate its effective and efficient functioning. | | | | | |

| Division of responsibilities | | Reference | Included? | | |
|------------------------------|---|--------------|-----------|----|-----|
| 31. | <p>The chair should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of chair and chief executive should not be exercised by the same individual.</p> <p>A chief executive should not become chair of the same company. If, exceptionally, this is proposed by the board, major shareholders should be consulted ahead of appointment. The board should set out its reasons to all shareholders at the time of the appointment and also publish these on the company website.</p> <p>For the circumstances set out in Provision 10, see item 32 of this checklist. Although this provision does not explicitly require reporting in the annual report of the company, it is anticipated that in the year in which the appointment is made, good practice will be for the board to set out its reasons in the annual report.</p> | Provision 9 | Yes | No | N/A |
| 32. | <p>The board should identify in the annual report each non-executive director it considers to be independent.</p> <p>Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director:</p> <ul style="list-style-type: none"> • is or has been an employee of the company or group within the last five years; • has, or has had within the last three years, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company; • has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme; • has close family ties with any of the company's advisers, directors or senior employees; • holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; • represents a significant shareholder; or • has served on the board for more than nine years from the date of their first appointment. <p>Where any of these or other relevant circumstances apply, and the board nonetheless considers that the non-executive director is independent, a clear explanation should be provided.</p> <p>The clear explanation required by this provision goes beyond a simple statement that this is the conclusion of the board. It should engage with the circumstance that could call the independence of the individual director into question, explaining the board's rationale as to why it does not in fact compromise the director's independence. A separate clear explanation should be given for each relevant director.</p> <p>As set out by Provision 11, at least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent.</p> | Provision 10 | Yes | No | N/A |

| Division of responsibilities | Reference | Included? |
|--|---------------------|---------------------------------|
| <p>33. <i>The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders.</i></p> <p>Although there is no explicit disclosure requirement under the Code, in practice companies identify their senior independent director in the annual report, or at least make clear in the annual report where this information can be found.</p> | Provision 12 | Yes No N/A |
| <p>34. <i>The responsibilities of the chair, chief executive, senior independent director, board and committees should be clear, set out in writing, agreed by the board and made publicly available.</i></p> <p>Although this requirement could be met by putting the information on the company's website, companies may wish to include the information in the annual report or at least make clear in the annual report where this information can be found. This will also help companies to meet the requirements of the DTR.</p> | Provision 14 | Yes No N/A |
| <p>35. The annual report should set out the number of meetings of the board and its committees, and the individual attendance by directors.</p> <p>This is probably best presented in tabular form. Companies may also wish to include brief explanations where directors have been unable to attend meetings, since this is an area of focus for investors.</p> <p>Meeting this provision will help companies to meet the requirements of DTR 7.2.7R.</p> | Provision 14 | Yes No N/A |
| <p>36. The reasons for permitting significant additional external appointments by board members should be explained in the annual report.</p> <p>Provision 15 also states:</p> <p>When making new appointments, the board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the board, with the reasons for permitting significant appointments explained in the annual report. Full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment.</p> <p>Accordingly, boards may choose to explain the policies in this area and how they have been applied during the year. Some boards may wish to explain how they define an external appointment that requires prior approval or a significant appointment. It should be noted that this provision applies to non-executive directors as well as executive directors, except where stated.</p> | Provision 15 | Yes No N/A |
| <p>37. <i>All directors should have access to the advice of the company secretary, who is responsible for advising the board on all governance matters.</i></p> <p>Although there is no explicit disclosure requirement under the Code, in practice companies identify the company secretary in the annual report and explain their role, or at least make clear in the annual report where this information can be found.</p> | Provision 16 | Yes No N/A |

| Composition, succession and evaluation | | Reference | Included? | | |
|--|---|-------------|-----------|----|-----|
| Principles N.B. UKLR 6.6.6R(5) requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes. See item 1 of this checklist for FRC guidance on how to approach this disclosure. | | | | | |
| 38. | Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan for the board and senior management should be maintained. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity. | Principle J | Yes | No | N/A |
| 39. | The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed. | Principle K | Yes | No | N/A |
| 40. | Annual evaluation of the board should consider its performance, composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. | Principle L | Yes | No | N/A |
| In explaining how the board has applied Code Principles J – L we would expect the corporate governance statement to cover: <ul style="list-style-type: none"> – A summary of the board appointment process. (Links to Provisions 17, 20 and 23) – The succession planning process for board and senior management including the development of a diverse talent pipeline and consideration of the length of service of the board as a whole. (Links to Provision 17) – The composition of the board and its committees in terms of skills, experience and knowledge and the approach of the board to maintaining an appropriate balance of skills, experience and knowledge. – The board's approach to assessing its effectiveness, in particular board dynamics, i.e. how the board works together as a unit, the tone set by the chair, and the chief executive, the relationships between board members. (Links to Provisions 21 to 23) | | | | | |

| Composition, succession and evaluation | | Reference | Included? | | |
|--|---|--------------|-----------|----|-----|
| 41. | <p><i>All directors should be subject to annual re-election. The board should set out in the papers accompanying the resolutions to elect each director the specific reasons why their contribution is, and continues to be, important to the company's long-term sustainable success.</i></p> <p>Note – The Code requires the following details to be sent out to shareholders in the papers accompanying a resolution to elect or re-elect directors. In practice these details will often be provided within the annual report but, at a minimum, details are required to be included within the papers accompanying the notice of the AGM.</p> <p>The reasons for the importance of the contribution of the director should set out relevant skills and experience rather than focusing exclusively on biographical details, although those details will in many cases be relevant to the director's experience.</p> <p>Skills and experience relevant to the company's sector, expertise in accountancy and/or audit, stakeholder engagement, and horizon-scanning or risk (such as expertise in cyber, generative AI, data protection or sustainability) are all areas that will be useful to describe when demonstrating the importance of the director's contribution to the company's long-term sustainable success.</p> | Provision 18 | Yes | No | N/A |
| 42. | <p>A clear explanation should be provided where, to facilitate effective succession planning and the development of a diverse board, the chair remains in post beyond nine years from the date of their first appointment to the board.</p> <p>Although this requirement could be met by putting the information on the company's website, companies may wish to include the information in the annual report.</p> | Provision 19 | Yes | No | N/A |
| 43. | <p>If an external search consultancy is engaged for the appointment of the chair and non-executive directors, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors.</p> <p>The Code is seeking to promote diversity and transparency in respect of appointments to the board.</p> <p>The reference to "other" connections with the company appears to refer to connections other than as advisers in evaluating the performance of the board, its committees and its individual directors.</p> <p>It is usual practice for the statement regarding any other connection with the company or individual directors to be included for each relevant adviser even where there are no such connections to report.</p> <p>Meeting this provision will help companies to meet the requirements of DTR 7.2.7R.</p> | Provision 20 | Yes | No | N/A |

| Composition, succession and evaluation | Reference | Included? |
|--|--------------|------------|
| <p>44. Where there has been an externally facilitated board performance review during the year, the external reviewer should be identified in the annual report and a statement made about any other connection it has with the company or individual directors.</p> <p>It is usual practice for the statement regarding any other connection with the company or individual directors to be included for each relevant adviser even where there are no such connections to report.</p> <p>In FTSE 350 companies the performance review should be externally facilitated at least once every three years.</p> <p>Performance review of the board and committees should consider the balance of skills, experience, independence and knowledge of the company on the board, its diversity, including gender, how the board works together as a unit, and other factors relevant to its effectiveness.</p> <p>The Guidance states that questionnaire-based external performance reviews are unlikely to get underneath the dynamics in the boardroom. It is beneficial for the external reviewer to also meet with the executive team to gain their views of the board. Performance reviews should be rigorous and consider how effective the board is as a unit, as well as the quality of the contributions made by individual directors.</p> <p>The chair is responsible for making sure the board maximises the value of an externally-facilitated board performance review and for ensuring full co-operation between the company and the reviewer.</p> <p>Individual performance review should aim to show whether each director continues to contribute effectively and to demonstrate commitment to the role (including commitment of time for board and committee meetings and any other duties).</p> <p>Provision 22 explains that:</p> <p>The chair should act on the results of the board performance review by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified.</p> | Provision 21 | Yes No N/A |

| Composition, succession and evaluation | Reference | Included? |
|---|--------------|------------|
| | | Yes No N/A |
| <p>45. The annual report should describe the work of the nomination committee, including:</p> <ul style="list-style-type: none"> the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline; how the board performance review has been conducted, the nature and extent of an external reviewer's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence future board composition; the policy and any initiatives on diversity and inclusion, their objectives and link to company strategy, how they have been implemented and progress on achieving the objectives; and the gender balance of those in the senior management and their direct reports. <p>The description of the work of the nomination committee should be clearly identifiable, for example as a sub-section within the larger corporate governance report. It is usual practice for the description of the work of the nomination committee to be in the form of a separate report, written by the nomination committee and introduced by or signed by the chair of the committee. There is no longer a requirement for the description of the work of the nomination committee to be presented in a separate section of the annual report.</p> <p>The Guidance provides examples of how companies can support diversity and inclusion, including:</p> <ul style="list-style-type: none"> regularly assessing the skills and attributes needed for the organisation and reviewing the quality of candidates; choosing executive search firms that are known for drawing up diverse longlists and seeking talent from diverse backgrounds; and the chair and board members receiving appropriate training to promote open discussion and embrace differences of opinion. <p>The Guidance suggests that the following are critical elements of succession planning which may be of use for companies to consider when drafting fuller succession planning disclosures:</p> <ul style="list-style-type: none"> the chair's vision for optimal board composition, including periodic assessment of whether this has been achieved and changes to the succession planning process as necessary; considering succession planning over three time horizons: contingency, medium-term, and longer-term; discussions on tenure at the time of appointment to help manage longer term succession strategies; discussing board succession plans with shareholders; putting the succession plan in writing to help ensure it is followed through; the importance of developing internal talent and capability, through middle management development programmes, as partnership and mentoring schemes; and the nomination committee taking a more active interest in how talent is managed throughout the organisation. | Provision 23 | |

| Composition, succession and evaluation | Reference | Included? |
|--|--------------|------------|
| <p>The disclosure on the work of the nomination committee should include the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives. This has some similarities with the requirements of DTR 7.2.8AR, however the DTR requirement applies to the board and committees only, whereas the Code requirement applies more generally across the organisation. The diversity disclosure requirements of DTR 7.2.8AR may helpfully be built into this section on the work of the nomination committee.</p> <p>With regard to the requirement to disclose the gender balance of the senior management and their direct reports, the Code explains that senior management is defined as the executive committee or the first layer of management below board level, including the company secretary.</p> <p>Meeting this provision will help companies to meet the requirements of DTR 7.2.7R.</p> | | |
| <p>46. <i>The chair is encouraged to give a summary of the outcomes and actions of the board performance review process in their statement in the annual report.</i></p> <p>NB: the omission of encouraged disclosures will not constitute a departure from the Code.</p> | Guidance 177 | Yes No N/A |

| Audit, risk and internal control | | Reference | Included? | | |
|--|---|--------------|-----------|----|-----|
| Principles N.B. UKLR 6.6.6R(5) requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes. See item 1 of this checklist for FRC guidance on how to approach this disclosure. | | | | | |
| 47. | The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements. | Principle M | Yes | No | N/A |
| 48. | The board should present a fair, balanced and understandable assessment of the company's position and prospects. | Principle N | Yes | No | N/A |
| 49. | The board should establish and maintain an effective risk management and internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives. | Principle O | Yes | No | N/A |
| In explaining how the board has applied Code Principles M – O we would expect the corporate governance statement to cover: <ul style="list-style-type: none"> – The board's oversight of external audit (usually through the role of the audit committee) and the role that an independent and effective external audit plays in the integrity of the financial and narrative statements. – The board's oversight of internal audit (usually through the role of the audit committee) and the role that an independent and effective internal audit function plays in the overall governance framework of the business. – How the board discharges its responsibilities for presenting a fair, balanced and understandable assessment of the company's position and prospects. (Links to Provision 27) – The procedures adopted by the board to manage risk. This should explain how the board determines the extent of risk the company is willing to take in order to achieve its long-term strategic objectives and then how it implement effective risk management and internal control systems within the business. (Links to Provisions 28, 29 and 31) | | | | | |
| 50. | <i>The board should establish an audit committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies, two. The chair of the board should not be a member. The board should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole shall have competence relevant to the sector in which the company operates.</i> Although there is no explicit disclosure requirement under the Code, it is usual practice for companies to disclose this information in the annual report. | Provision 24 | Yes | No | N/A |

| Audit, risk and internal control | | Reference | Included? | | |
|--|--|-------------------------------|-----------|----|-----|
| <p>The composition requirements include the requirement that the audit committee as a whole should have competence relevant to the sector in which the company operates.</p> <p>This arises from EU law and the FRC does not specify the number or proportion of members of the committee that would meet the “as a whole” requirement. Companies should bear this in mind when undertaking succession planning and determine in their own circumstances what audit committee composition will meet the sector competence requirement. In addition, in line with DTR 7.1.2AR, the Chair of the Audit Committee must be independent, which we consider should be assessed in the light of Code provision 10.</p> <p>Disclosure of the membership and composition of the audit committee will assist companies in meeting the requirements of DTR 7.1.5R and DTR 7.2.7R.</p> | | | | | |
| 51. | <p>The annual report should describe the work of the audit committee, including:</p> <p>The significant issues that the Audit Committee considered relating to the financial statements, and how these issues were addressed.</p> <p>The significant issues should be clearly signposted and might include, for each significant issue:</p> <ul style="list-style-type: none"> a brief summary of the nature and context of the significant issue which makes it clear to the reader why the issue was deemed to be important in that particular reporting year, including quantification where appropriate (a cross reference to where the issue is discussed elsewhere in the annual report is recommended to avoid repetition where possible); the actions taken by the audit committee in respect of each significant issue; the conclusion reached by the audit committee and the rationale behind how the audit committee reached its conclusion; the extent to which the discussions arising led to a change in treatment; references to other relevant parts of the annual report, for example principal risks or the notes to the financial statements, particularly the disclosure on critical accounting judgements and key sources of estimation uncertainty; and the nature of discussions held with the auditors on the issue. | Minimum Standard Provision 24 | Yes | No | N/A |
| | <p>The Minimum Standard adds that the audit committee should include an explanation of the application of the entity’s accounting policies. This would be expected to focus on year-specific and entity-specific matters, including accounting policy choices that have been the subject of focus by the audit committee.</p> | Minimum Standard Provision 24 | Yes | No | N/A |
| 52. | <p>Where shareholders have requested that certain matters be covered in an audit and that request has been rejected, the audit committee should include an explanation of the reasons why.</p> | Minimum Standard Provision 24 | Yes | No | N/A |
| 53. | <p>The annual report should explain how the audit committee has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans.</p> | Minimum Standard Provision 24 | Yes | No | N/A |

| Audit, risk and internal control | | Reference | Included? | | |
|---|--|-------------------------------|-----------|----|-----|
| 54 | Where a regulatory inspection of the quality of the company's audit has taken place, the annual report should set out information about the findings of that review, together with any remedial action the auditor is taking in the light of these findings. | Minimum Standard Provision 24 | Yes | No | N/A |
| 55. | In case of a board not accepting the audit committee's recommendation on the external auditor appointment, reappointment or removal, the annual report should include statement from the audit committee explaining its recommendation and that of the board, and the reasons why the board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment). | Minimum Standard Provision 24 | Yes | No | N/A |
| This disclosure is required in both the annual report and in any papers recommending appointment or re-appointment of the auditors. But circumstances leading to such disclosure should be very rare. | | | | | |
| 56. | The annual report should include explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services. | Minimum Standard Provision 24 | Yes | No | N/A |
| 57. | If a tender process has taken place within the year, the audit committee should explain the criteria used to make the selection and the process followed. | Minimum Standard Provision 25 | Yes | No | N/A |
| The Minimum Standard includes further detail about the criteria that should be used, which should be transparent and non-discriminatory and should be based on quality (including independence, challenge and technical competence) not on price or perceived cultural fit. (These criteria are set out in Minimum Standard Provisions 8, 9 and 13) | | | | | |
| The Minimum Standard also provides additional detail on aspects of the process followed, including the timing and leadership of the process and materials considered as part of selection. (These aspects of the selection process are set out in Minimum Standard Provisions 6, 7, 8, 9, 10 and 12) | | | | | |
| 58. | The Audit Committee should report on the activities it has undertaken to meet the requirements of the Minimum Standard. | Minimum Standard Provision 26 | Yes | No | N/A |
| This disclosure could be expected to include the "comply or explain" statement in respect of the Minimum Standard, along with other information as useful to understand how the audit committee has undertaken the various activities set out in the Minimum Standard, in particular how it has discharged its responsibilities with respect to the external audit (Provision 4). | | | | | |
| Other Provisions of the Minimum Standard worth considering when seeking to meet this reporting Provision will include Provisions 4, 15, 19 and 23. | | | | | |

| Audit, risk and internal control | Reference | Included? |
|--|-------------------------|------------|
| | | Yes No N/A |
| <p>59. The annual report should describe the work of the audit committee, including:</p> <ul style="list-style-type: none"> • where there is no internal audit function, an explanation for the absence, how internal assurance is achieved, and how this affects the work of external audit. <p>The effect on the work of external audit could relate to the external auditor's assessment of risk in the business, the scope of external audit procedures, the extent of controls testing and the interaction of external audit with other functions within the company. The audit committee should bear in mind that the role of external audit does not replace the assurance that can be gained from an effective internal audit function and that the FRC's Ethical Standard for auditors restricts work the auditor can perform on internal controls outside the scope of what is required for the audit itself. In some cases there will also be a possible effect on the efficiency of the external audit process.</p> <p>N.B. This element of the Code overlaps with DTR 7.1.5R and 7.2.7R.</p> | Provision 26 | Yes No N/A |
| <p>60. Where a FTSE 350 company has not completed a competitive tender process for auditor appointments for five or more consecutive financial years, the audit committee must set out in the audit committee report relating to that financial year:</p> <ul style="list-style-type: none"> • the financial year in which the company proposes that it will next complete a competitive tender process; and • the reasons why completing a competitive tender process in the financial year proposed is in the best interests of the company's members. <p>Where the audit committee considers that the financial year it has previously proposed is no longer appropriate for the completion of a competitive tender process, it must provide reasons for the decision in the audit committee report published immediately subsequent to the making of that decision.</p> <p>If the FTSE 350 company does not issue an audit committee report, this information must be set out by the audit committee elsewhere in the relevant annual report.</p> | The CMA Order 4.1 – 4.4 | Yes No N/A |
| <p>61. A FTSE 350 company must include a statement of compliance with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 in the audit committee report for each financial year.</p> <p>If the FTSE 350 company does not issue an audit committee report, this information must be set out by the audit committee elsewhere in the relevant annual report.</p> | The CMA Order 7.1 | Yes No N/A |

| Audit, risk and internal control | | Reference | Included? | | |
|----------------------------------|---|--------------|-----------|----|-----|
| | | | Yes | No | N/A |
| 62. | <p>The board should confirm in the annual report that it has completed a robust assessment of the company’s emerging and principal risks, including a description of its principal risks, and an explanation of how these are being managed or mitigated. The board should explain what procedures are in place to identify and manage emerging risks.</p> <p>The Guidance indicates that the descriptions of the principal risks should be sufficiently specific that a shareholder can understand why they are important to the company. The report might include a concise description of the likelihood of the risk, an indication of the circumstances under which the risk might be most relevant to the company, and its possible impacts. Significant changes in principal risks such as a change in the likelihood or possible impact, or the inclusion of new risks, should be highlighted and explained. An explanation of how the principal risks are being managed or mitigated should also be included.</p> <p>A description of suitable procedures in place to identify emerging risks are not explicitly dealt with under the Guidance. However, the Guidance does explain that emerging risks constantly change, can materialise quickly, and can significantly affect the company and its operations, and that procedures must be in place for continuous monitoring of these risks to allow the company to adapt or develop appropriate actions.</p> | Provision 28 | | | |
| | <p>The board should provide clear and concise information that is tailored to the specific circumstances material to the company, and should avoid using standardised language, which may be long on detail but short on insight. In considering how to meet the different disclosures summarised below, the board should bear in mind the need for the annual report and accounts as a whole to be fair, balanced and understandable.</p> <p>N.B. In order to satisfy the requirements of DTR 7.2.5R, companies are required to describe the main features of the internal control and risk management systems in relation to the financial reporting process.</p> | Guidance 291 | | | |

| Audit, risk and internal control | Reference | Included? |
|--|---|--------------------------|
| <p>63. The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.</p> <p>Note that this Provision of the 2018 Corporate Governance Code continues to have effect until periods commencing on or after 1 January 2026.</p> <p>The FRC considers that good reporting regarding the review of effectiveness should include the following:</p> <ol style="list-style-type: none"> 1. Give a full description of the process for reviewing the effectiveness of risk management and internal control systems. 2. Explain the outcome of the review. Are these systems operating effectively? If not, what weaknesses or inefficiencies were identified? 3. If any weaknesses or inefficiencies were identified, explain what actions the board has taken, or will take, to remedy these. <p>Securities Exchange Commission (SEC) registrants will need to give consideration to additional US requirements, including those arising from the Sarbanes-Oxley Act.</p> | <p>2018 Corporate Governance Code Provision 29</p> | <p>Yes No N/A</p> |
| <p>In its statement the board, as a minimum, acknowledges: that it is responsible for those systems and for reviewing their effectiveness and discloses:</p> <ul style="list-style-type: none"> • that there is an on-going process for identifying, evaluating and managing the principal risks faced by the company; • that the systems have been in place for the year under review and up to the date of approval of the annual report and accounts; • that they are regularly reviewed by the board; and • the extent to which the systems accord with the guidance in this document. | | <p>Yes No N/A</p> |
| <p>The board should provide a summary of how it has monitored and reviewed the effectiveness of the framework during the reporting period. This may include the type of information the board has received and reviewed; the units and individuals it has consulted with; any internal or external assurance received; and if relevant, the name of the recognised framework, standard or guideline the board has used to review the effectiveness.</p> <p>N.B. In order to satisfy the requirements of DTR 7.2.5R, companies are required to describe the main features of the internal control and risk management systems in relation to the financial reporting process.</p> | <p>Guidance 294</p> | <p>Yes No N/A</p> |

| Audit, risk and internal control | Reference | Included? |
|--|-------------|--|
| <p>The report on the review of the risk management and internal control systems is normally included in the corporate governance section of the annual report and accounts, but this reflects common practice rather than any mandatory requirement and companies can choose where to position it in their report. In any event, the company has considered whether and how to link reporting on the review of the risk management and internal control systems to the information on principal risks in the Strategic Report and material uncertainties relating to the going concern basis of accounting in the financial statements.</p> <p>N.B. In order to satisfy the requirements of DTR 7.2.5R, companies are required to describe the main features of the internal control and risk management systems in relation to the financial reporting process.</p> | Guidance 60 | Yes No N/A |

| Audit, risk and internal control | Reference | Included? |
|---|--------------|------------|
| | | Yes No N/A |
| <p>64. In annual and interim financial statements, the board should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.</p> <p>This requirement overlaps with UKLR 6.6.6R(3). There are three reporting scenarios which the board can reach on whether to adopt the going concern basis of accounting and whether there are material uncertainties:</p> <ul style="list-style-type: none"> the going concern basis of accounting is appropriate and there are no material uncertainties. The directors should adopt the going concern basis of accounting as part of the company's financial statements, make an explicit statement that the adoption of the going concern basis of accounting is considered appropriate and make any disclosures necessary to give a true and fair view; or the going concern basis of accounting is appropriate but there are material uncertainties. The directors should adopt the going concern basis of accounting in preparing the financial statements, make an explicit statement that the adoption of the going concern basis of accounting is considered appropriate, disclose and identify any material uncertainties and make any other disclosures necessary to give a true and fair view; or the going concern basis of accounting is not appropriate. Such a conclusion is likely to be rare. The directors should make an explicit statement that the adoption of the going concern basis of accounting is not considered appropriate, disclose the basis of accounting adopted and make any other disclosures necessary to give a true and fair view. <p>In performing this assessment, the board considers all available information about the future, the possible outcomes of events and changes in conditions and the realistically possible responses to such events and conditions that are available to the board.</p> <p>To be useful the disclosures of material uncertainties must explicitly identify that they are material uncertainties that they may cast significant doubt upon the entity's ability to continue to apply the going concern basis of accounting.</p> | Provision 30 | |

| Audit, risk and internal control | Reference | Included? |
|--|--------------|------------|
| | | Yes No N/A |
| <p>65. Taking account of the company's current position and principal risks, the board should explain in the annual report how it has assessed the prospects of the company, over what period it has done so and why it considers that period to be appropriate. The board should state whether it has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary.</p> | Provision 31 | Yes No N/A |
| <p>Companies may consider developing their viability statements in two stages: firstly, by considering and reporting on their longer-term prospects, taking into account the company's current position and principal risks; and then by stating whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their viability assessment, drawing attention to any qualifications or assumptions as necessary.</p> | Guidance 308 | |
| <p>Reasonable expectation does not mean certainty. It does mean that the assessment can be justified. Guidance 307 adds that it may be useful to discuss with investors their information needs to help inform the period selected.</p> | Guidance 311 | |
| <p>Companies could tailor their approach to their specific circumstances and planning cycles, and the board should provide an explanation for the period of assessment chosen. Where the period of assessment for the viability statement differs from other related assessments disclosed in the annual report, boards should consider explaining why there is a timeframe discrepancy in the justification for the period.</p> | Guidance 310 | |
| <p>Any qualifications or assumptions to which the board considers it necessary to draw attention in their statement should be specific to the company's circumstances, be relevant to an understanding of the directors' rationale for making the statement, only include matters that are significant to the company's prospects and not include matters that are highly unlikely either to arise or to have a significant impact on the company. They should cross-refer to, rather than repeat, disclosures given elsewhere.</p> | Guidance 316 | |
| <p>Good practice examples clearly explain the underlying analysis that supports the statement. They should also include proper explanation of how the company has carried out its analysis.</p> | Guidance 317 | |

| Remuneration | | Reference | Included? | | |
|---|---|--------------|-----------|----|-----|
| Principles N.B. UKLR 6.6.6R(5) requires a statement of how the company has applied the Principles in a manner that would enable shareholders to evaluate how they have been applied. Directors should satisfy themselves that each Principle is clearly covered in order to answer Yes. See item 1 of this checklist for FRC guidance on how to approach this disclosure. | | | | | |
| 66. | Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy. | Principle P | Yes | No | N/A |
| 67. | A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome. | Principle Q | Yes | No | N/A |
| 68. | Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. | Principle R | Yes | No | N/A |
| <p>In explaining how the board has applied Code Principles P-R we would expect the corporate governance statement (or the Directors' Remuneration Report) to cover:</p> <ul style="list-style-type: none"> – How the board ensures that remuneration policies and practices support the company's purpose and values, the delivery of strategy and the long-term success of the business. (Links to Provisions 33 and 36) – The board's approach to setting executive remuneration including mechanisms in place to allow discretion to be used in situations where formulaic outcomes fail to reflect adequately company and individual performance and any other relevant, wider circumstances. (Links to Provisions 32, 34 and 37) | | | | | |
| 69. | Where a remuneration consultant is appointed, the consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. | Provision 35 | Yes | No | N/A |
| <p>The reference to "other" connections with the company appears to refer to connections other than as advisers to the remuneration committee. There are statutory disclosure requirements concerning the identity of and fees paid to persons who have provided advice or services to the remuneration committee, that materially assisted the committee in the consideration of directors' remuneration.</p> <p>It is usual practice for the statement regarding any other connection with the company or individual directors to be included for each relevant adviser even where there are no such connections to report.</p> <p>N.B. This element of the Code disclosure requirements is specifically referred to in DTR 7.2.8G</p> | | | | | |

| Remuneration | Reference | Included? |
|---|--------------|---------------------------------|
| 70. The annual report on remuneration should include a description of its malus and clawback provisions, including: <ul style="list-style-type: none"> the circumstances in which malus and clawback provisions could be used; a description of the period for malus and clawback and why the selected period is best suited to the organisation; and whether the provisions were used in the last reporting period. If so, a clear explanation of the reason should be provided in the annual report. | Provision 38 | Yes No N/A |
| 71. There should be a description of the work of the remuneration committee in the annual report, including: <ul style="list-style-type: none"> an explanation of the strategic rationale for executive directors' remuneration policies, structures and any performance metrics; reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps; whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary; what engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes; what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy; and to what extent discretion has been applied to remuneration outcomes and the reasons why. <p>The FRC has reiterated that companies should have effective engagement with shareholders and with their workforce in relation to remuneration, otherwise they cannot claim compliance with Provision 41 of the Code. The FRC describes effective engagement as two-way dialogue. For engagement with shareholders, companies may wish to include an explanation of what impact, if any, engagement with shareholders has had on remuneration policy.</p> <p>Some companies are electing to present a remuneration committee report, separate from the directors' remuneration report, to address the new disclosure requirements.</p> <p>N.B. Meeting provision 41 of the Code will help companies to meet the requirements of DTR 7.2.7R.</p> | Provision 41 | Yes No N/A |

The Deloitte Centre for Corporate Governance

If you would like to contact us please email corporategovernance@deloitte.co.uk or use the details provided below:



Tracy Gordon

+44 (0) 20 7007 3812

+44 (0) 7930 364431

trgordon@deloitte.co.uk



Corinne Sheriff

+44 (0) 20 7007 8368

+44 (0) 7824 609772

csheriff@deloitte.co.uk



Claire Faulkner

+44 (0) 20 7007 0116

+44 (0) 7876 478924

cfaulkner@deloitte.co.uk

The Deloitte Academy

The Deloitte Academy provides support and guidance to boards, committees and individual directors, principally of the FTSE 350, through briefings on relevant board topics.

Members receive copies of our regular publications on Corporate Governance and a newsletter highlighting upcoming briefings and recently published insights. A dedicated members' website www.deloitteacademy.co.uk is made available so members can register for briefings and access additional relevant resources.

For further details about the Deloitte Academy, including membership, please email enquiries@deloitteacademy.co.uk.





This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

© 2025 Deloitte LLP. All rights reserved.

Designed by CoRe Creative Services. RITM2144180