

Corporate Governance Statement

For the year ended 31 December 2022

Introduction

I have pleasure in introducing the Corporate Governance Statement. In accordance with the requirements of being an AIM-listed company we recognise that the application of sound corporate governance is essential to the Group's ongoing success and adopt the principal provisions of the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies published in April 2018 ("QCA guidelines"). This report sets out our approach to Judges' corporate governance in accordance with AIM rule 26, also documented in the Investors section of the Judges website.

Board composition

The Board is responsible to the shareholders and sets the Group's strategy for achieving long-term success. It is also ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group.

The year commenced with the Board comprising three Executive Directors, together with the Non-Executive Chairman and four further Non-Executive Directors, supported by the Company Secretary.

The Group has two independent Non-Executive Directors in accordance with the QCA guidelines. All other Non-Executive Directors are not considered independent under the QCA guidelines by virtue of the duration of their tenure, as they have served more than nine years from the date of their first election or were previously an Executive Director of the Company. Nevertheless, the Company considers that these Non-Executive Directors, in practice, act independently of the Executive management and police adherence to the Group's enduring buy and build strategy and act as guardians to the Group's culture, which continues to provide shareholders with long-term market-beating performance. They deliver value via their long association with the Company, enabling retention of an appropriate corporate memory, and together with their deep understanding of the Group's business model, ensures they appropriately challenge the Executive Directors.

The structure of the Board has been refreshed over the recent past, however wholesale change for the purpose of adopting perceived best practice is not considered beneficial for our shareholders. At the same time, the process of refreshing the composition of the board continues which will enable a balance between newer Non-Executive Directors and those that retain the strongest understanding of the Group's culture and history.

Board operation

The Board is responsible for the Company's strategy and for its overall management. The operation of the Board is documented in a formal schedule of matters reserved for its approval, which is reviewed annually. These include (although not exhaustively) matters relating to:

- the Group's strategic aims and objectives;
- the approval of significant acquisitions and expenditure;
- financial reporting, financial controls and dividend policy;
- the approval of the Group's annual budget;
- the structure, capital and financing of the Group;
- internal control, risk and the Group's risk appetite;
- effective communication with shareholders; and
- any changes to Board membership or structure.

Board decision making

The Board has a schedule of matters covering business, financial and operational matters ensuring that all areas of Board responsibility are addressed throughout the year. The Chairman, supported by the Company Secretary, is responsible for ensuring the Directors receive accurate and timely information. The Company Secretary compiles the Board papers which are circulated to Directors in advance of meetings. The Company Secretary prepares and provides minutes of each meeting and every Director is aware of the right to formally minute any concerns.

Board meetings

The Board meets monthly (except in August) in addition to any ad hoc Board meetings that may be required during the year. Non-Executive Directors communicate directly with Executive Directors between formal Board meetings as necessary.

Directors are expected to attend all meetings of the Board, and the Committees on which they sit, and to devote sufficient time to the Company's affairs to enable them to fulfil their duties as Directors. In the event that Directors

are unable to attend a meeting in person they will endeavour to attend via phone, Microsoft Teams or similar arrangement. In a normal year, Board meetings are held either at the Group's head office or rotated around the Group's operating companies so that the Board are able to meet local management, and during 2022 the Board was able to return to its more normal routine with 11 held in person, of which 4 were held at our subsidiaries, including one meeting held at Geotek, our 2022 acquisition.

When Directors cannot attend, their comments on papers to be considered at the meeting will be discussed in advance with the Chairman so that their contribution can be included in the wider Board discussion.

The Directors' attendance record at Board and Committee meetings during the year is disclosed in the table below:

	Board	Audit	Remuneration
Hon. AR Hambro	11/11	—	—
DE Cicurel	11/11	—	—
BL Ormsby	11/11	—	—
MS Lavelle	10/11	—	—
CJA Holroyd	11/11	5/5	2/2
LD Kodituwakku	11/11	—	2/2
RL Cohen	11/11	5/5	—
RJ Elman	11/11	5/5	2/2

Board Committees

The Board has delegated specific responsibilities to the Audit and Remuneration Committees, details of which are set out below. As the Board is small, there is no separate nominations committee and any consideration of recommendations for appointments to the Board is considered by a specific committee of Directors set up at that time. As part of the recruitment of Tim Prestidge, a committee of three Directors was set up to oversee the recruitment process, and his remuneration package was separately approved by the Remuneration Committee.

Each Committee has written terms of reference setting out its duties, authority and reporting responsibilities. Copies of all the Committee terms of reference are available on the Company's website (www.judges.uk.com) or on request from the Company Secretary. The terms of reference of each Committee are kept under continuous review to ensure they remain appropriate to the Group. Each Committee is comprised of three of the Non-Executive Directors of the Company. The Company Secretary is the secretary of each Committee.

Audit Committee

The Audit Committee is chaired by Ralph Elman and the other members are Ralph Cohen and Charles Holroyd. The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews information and reports from the Group's management, internal audit function and Auditor relating to the annual financial statements and the accounting and internal control systems in use throughout the Group. It also advises the Board on the appointment of the Auditor, reviews their fees and discusses the nature, scope and results of the audit with the Auditor. The Audit Committee meets at least twice a year and has unrestricted access to the Group's Auditor. The Executive Directors and the Chairman attend the Committee meetings by invitation as required.

The Audit Committee Report on page 25 and 26 contains more detailed information on the Committee's role.

Remuneration Committee

The Remuneration Committee is chaired by Charles Holroyd, the Senior Independent Non-Executive Director. The other members of this Committee are Ralph Elman and Lushani Kodituwakku. The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The remuneration and terms and conditions of appointment of the Non-Executive Directors of the Company are set by the Board. The Chief Executive and Group Finance Director are invited to attend for some parts of the Committee meetings where their input is required although they do not take part in any discussion on their own benefits and remuneration. The Remuneration Committee meets at least once per year.

The Remuneration Report on pages 27 to 30 contains more detailed information on the Committee's role and the Directors' remuneration and fees.

Board effectiveness

Biographies of the Board on pages 20 and 21 set out the skills, knowledge and experience of the Board. This mix of capabilities enables them to constructively challenge strategy and review performance. All Directors undertake ongoing training sessions to ensure they retain relevant skills to execute their roles.

Induction of new Directors

New Directors undergo a programme tailored to the existing knowledge and experience of the Director concerned and ensures they develop the requisite knowledge about the Group such that they can contribute fully from an early stage.

Time commitments

All Directors are aware of the time required to fulfil the role prior to appointment and have confirmed their ability to meet the required commitment prior to appointment. This requirement is also included in their letters of appointment or service contract. The Board is satisfied that the Chairman and each of the Non-Executive Directors is able to devote sufficient time to the Group.

Development

The Company Secretary ensures that all Directors are made aware of changes in relevant legislation and regulations, with the assistance of the Company's advisers where appropriate. Executive Directors are subject to the Company's performance development review process and will obtain additional professional training as appropriate.

External appointments

In the appropriate circumstances, the Board may authorise Executive Directors to take Non-Executive positions in other companies and organisations, provided the time commitment does not impact upon the Director's ability to perform their role, since such appointments should widen their experience. The Chairman will approve any such appointment.

Conflicts of interest

The Board regularly reviews any Directors' conflicts of interest. The Company's Articles of Association provide for the Board to authorise any actual or potential conflicts of interest.

Independent professional advice

Directors have access to independent professional advice at the Company's expense. In addition, they have access to the advice and services of the Company Secretary who is responsible to the Board for advice on corporate governance matters.

Directors' and Officers' liability insurance

The Company has obtained Directors' and Officers' liability insurance during the year as permitted by the Company's articles.

Election of Directors

In accordance with the Company's Articles of Association, David Cicurel will retire and offer himself for re-election at the Annual General Meeting. In addition, Dr Tim Prestidge, who was appointed by the board on 1 February 2023, will offer himself for election at the Annual General Meeting. All Directors are offered up for re-election every three years.

Performance evaluation

The Chairman discusses with each of the Non-Executive Directors their ongoing effectiveness. He is also responsible for the Executive composition of the Board. The Chief Executive assesses each Executive Director and provides informal feedback on their performance on a timely basis.

Internal controls

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group.

The principal components of the Group's internal control system include:

- overview of the day-to-day activities of the Group by the Executive Directors;
- all proposed acquisitions are comprehensively reviewed by the Board;
- a comprehensive annual budgeting process which is approved by the Board;
- a decentralised organisational structure with defined levels of responsibility for all trading subsidiaries, to encourage principled entrepreneurial behaviour whilst minimising risks;
- rotational visits by the Board to the trading subsidiaries;
- detailed monthly reporting of performance against budget and forecast;
- central control over key areas such as cash/banking facilities; capital expenditure and cyber security; and
- an internal audit function which, on a rotational basis, reviews each of the Group's trading subsidiaries and seeks to ensure consistent application of the Group's policies.

The Group continues to assess and develop its internal control system to ensure compliance with best practice for a Group of its size.

Relations with shareholders

The Group maintains communication with institutional shareholders through individual meetings with Executive Directors, particularly following publication of the Group's interim and full year results. The Group's results presentations are recorded on video in a live webinar which all shareholders are able to attend, and are subsequently available on the Judges website. Additionally, the Group operates a twice-yearly site visit where a group of significant shareholders/potential shareholders are shown around a number of the Group's subsidiaries to view their operations and meet with the local management. One site visit was undertaken in 2022 as the Group exited its previous Covid-19 restrictions, and for 2023 a full return to normal shareholder interactions is timetabled.

The Group also returned to holding its Annual General Meeting in-person during 2022 and all shareholders are again encouraged to attend the upcoming Annual General Meeting which is due to be held on 22 May 2023 (full details in the Directors' Report on page 33). This is the main opportunity for all shareholders to meet with all the Executive and Non-Executive Directors and where the Group's activities are considered and questions answered.

General information about the Group is also available on the Group's website (www.judges.uk.com). This includes a Group overview, detailed information about our trading businesses (including short videos introduced by each subsidiary Managing Director), details of all recent Group announcements and other relevant investor information.

Whistleblowing

The Group has had in place for several years a whistleblowing policy which sets out the formal process by which any employee of the Group may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. Whistleblowing is a standing item on the Board's agenda with updates provided at each meeting. During 2022 no matters were raised (2021: none).

Alex Hambro
Chairman
21 March 2023