

Maintaining good governance.

Welcome to the corporate governance report for the year ended 31 December 2024.

Since joining the Board as Chair in September 2024, I have been responsible for corporate governance within the Group. The Board has placed a high priority on best practice governance since IPO and I work with our Group General Counsel and Company Secretary to ensure that we operate an efficient and effective governance framework that is embedded into our culture.

The Group's governance structure, policies and processes emphasise ethical values and business practices, prioritise good communication with stakeholders, manage risk and ensure the operation of an effective Group Board. Our governance arrangements exist to promote and retain engagement, confidence and trust with our teams, clients, suppliers and investors. This is how our governance aligns with, and is supportive of, our overriding purpose of providing industry leading technology, products and services to the global promotional products industry and delivering growth in long-term shareholder value.

As part of our approach to governance, I ensure a good balance between Board consideration of strategic and governance matters. I also monitor the quality and timeliness of information provided to the Board, review Board skills and experience against strategic direction and oversee an annual formal effectiveness review of the Group Board and its Committees.

In addition, the Group Board engages experts where it believes doing so will enhance our governance approach, for example, our ongoing appointment of Executive remuneration advisers and consultants on DEI.

These activities ensure the continued effective operation of the Group Board and its Committees and their oversight of our businesses. During 2024, our governance framework and arrangements were reviewed by the Group Board. Whilst no significant changes were made, existing practices evolved and developed where appropriate.

“Our governance arrangements exist to promote and retain engagement, confidence and trust with our stakeholders.”

Key examples of that and 2024 governance highlights are:

- Shortlisted for the 'AIM Corporate Governance Award'.
- Utilised the formal Board Appointment Process to strengthen Group Board technology and product innovation expertise, through our new Non-executive Chair appointment.
- Development of the Board Effectiveness Review to add assessment of ESG and sustainability governance.
- Continued focus on succession planning, including review of required leadership skills across the Group and a focus on future Non-executive Director succession.
- Continued prioritisation of talent identification and development, including launch of 360-degree senior leadership review and new leadership training aligned to Brand Addition's values, where activities and progress were overseen by the Board's Nomination Committee.
- The Remuneration Committee considered remuneration practices across the Group and reviewed how they support the desired culture and promote the right behaviours and values.
- The Audit Committee conducted its annual review and assessment of the scope, adequacy and effectiveness of internal financial controls and internal control and risk management systems.
- Internal audit work evolved to capture the review of controls more broadly, for example in relation to the Corporate Criminal Offences (CCO) and embedding of compliance and prevention procedures in the businesses.
- DEI Steering Committee activity included the provision of Group-led awareness training and driving alignment of each business' DEI activities with Group objectives to create enhanced structure and focus across the businesses. This was externally recognised through being shortlisted for the 'Diversity Champion Award' at the AIM Awards.
- Embedding our biannual Group-led policy audit with the introduction of a formal Group training plan and processes to evidence policy awareness and the tracking of acceptance from employees on a regular basis.
- Commencement of SOC 2 information security accreditation preparation in Facilisgroup, demonstrating its commitment to maintaining robust information security policies and practices.
- Direct Group Board engagement with our teams, clients and suppliers through two employee engagement events, attendance by CEO and a Non-executive Director at the Facilisgroup Supplier Showcase in Atlanta, and attendance by the Executive Directors and a Non-executive Director at the Facilisgroup Partner Summit in Toronto, where Directors spent time with our teams, clients and suppliers.

CHAIR'S INTRODUCTION TO GOVERNANCE

2024 Governance Highlights:

- Appointment of a new Non-executive Chair to further enhance the Group Board's technology and product innovation skillset.
- Recognition at the AIM Awards 2024, being shortlisted for 'Diversity Champion Award' and 'AIM Corporate Governance Award'.
- Development of the Board Effectiveness Review to add assessment of ESG and sustainability governance.

The Company adopts the Corporate Governance Code published by the Quoted Companies Alliance and has adopted the latest, 2023, version of the Code at the earliest opportunity (the QCA Code)



During Q1 2025, the Nomination Committee reviewed the availability of each Director, noting their required time commitment and external appointments. The Committee noted that I had served notice on, and was due to exit, one external Non-executive Chair appointment by 18 June 2025, materially reducing my other commitments. The Committee concluded that all Directors allocate sufficient time to the Company and are able to discharge their responsibilities.

The following section of the Annual Report outlines how we have applied the principles of the QCA Code during the year and I believe that we are in full compliance with the QCA Code. However, our governance practice does differ from the expectations set by the QCA Code on one element of application of Principle 8. This is because we have no current plans to supplement our annual Board performance review by an external independent third-party review. The Company regards the review process as a valuable tool for driving continuous improvement, however, given the size and nature of the Board and its Committees, the stage of the Group's development and the cost implications, it was agreed that external facilitation was not required at this stage. This will be reconsidered in advance of each future review.

Additional corporate governance information around our stakeholder engagement activities and our Section 172(1) statement can be found on pages 21-25.

A stylized, handwritten signature in black ink, appearing to read 'Anne de Kerckhove'.

Anne de Kerckhove
Non-executive Chair

17 March 2025

The Boardroom

A large, circular, semi-transparent image of a modern boardroom. The room has a curved ceiling with recessed lighting and several large, dome-shaped pendant lights. The walls are covered in vertical wooden slats. In the foreground, there are several rows of chairs and tables, with people seated at them, though they are out of focus. The overall atmosphere is professional and contemporary.

The Directors believe that the QCA Code which sets out best practice corporate governance arrangements for small and mid-sized publicly traded businesses, particularly those on AIM, remains most appropriate for the Company. The QCA Code serves to mitigate and minimise risk and add value to our businesses.

This section of the Annual Report explains, at a high level, how we have applied the ten principles of the QCA Code during the year and how its application supports the Group's medium to long-term success.



Principle 1:

Establish a purpose, strategy and business model which promote long-term value for shareholders.

The Group Board's shared view of the Group's purpose, and the business models and strategies of our businesses are explained in the Strategic report and set out how the Group intends to deliver shareholder value in the medium and long-term.

Key challenges to their execution, with related mitigation to show how they are being addressed, are explained in the Risk Management section of this Report.

Strategy is re-visited annually with a six-monthly check-in. In 2024, the Group Board held its annual strategy event in October with all Directors in attendance.

All strategic initiatives are underpinned by the Group's values and expected high standards of conduct, ethics and compliance. Examples of this and how it is cascaded through our businesses is described throughout this Report.

Q Cross-reference to detail:

Strategic report:

- Group vision and values on page 2.
- Group purpose and strategy on page 5.
- Facilisgroup vision and business model on pages 9-10.
- Brand Addition vision and business model on pages 11-12.
- The Chair's review on page 13.
- The Chief Executive Officer's review on page 15.
- Our strategy in action on page 19.
- Risk management on pages 55-59.

Principle 2:

Promote a corporate culture that is based on ethical values and behaviours.

Our Group culture is focussed around a united team, connected to all stakeholders through positive relationships and ambitious for our businesses to deliver sustainable results the right way. This is reflected in the Group's values, stakeholder engagement activities, governance structure, key governance policies, training and messaging from the top, as described throughout this Report. This activity all supports and guides the sustainable delivery of the Group's purpose, strategy and business model.

Our desired culture is reflected in the actions and decisions of the Group Board and executive management team which sets the tone from the top by setting the Group's strategy and direction; overseeing governance and risk management arrangements (including whistleblowing); ensuring promotion of the importance of key governance policies, processes and training (which it ensures are designed in a meaningful way to fit with our culture and ways of working); and the executive management team directly delivering messages on certain compliance matters.

The Group Board assesses and monitors corporate culture by:

- ensuring documented governance policies are reviewed and re-approved annually so they remain up-to-date and continue to reflect best practice;
- receiving biannual attestation of compliance with key policies by the Group's senior leaders in relation to their respective teams; and
- receiving reports on how policies and processes are being embedded and on how the Group is promoting awareness and understanding of them across the Group.

Any policy non-compliance is reported by Divisional Leads via the Group Executive Committee to the relevant Group Board Committee and, ultimately, Group Board for monitoring on an ongoing basis. Action that deviated from what was expected in 2024 was dealt with promptly in line with policy requirements and associated risk of repetition eliminated by the reinforcement of a zero-tolerance approach.

During 2024, the Group continued to promote employee awareness and engagement with Group policies and culture, including through Group-led training for all staff on anti-bribery and corruption and prevention of tax evasion. The Remuneration Committee looked at remuneration practices across the Group and reviewed how they support the desired culture and promote the right behaviours and values within the Group's teams.

The Group Board also monitors and assesses the current state of culture and employee satisfaction by:

- the reporting of engagement survey results to the Group Board for discussion where required;
- the inclusion of minutes of each Brand Addition employee forum as Group Board minutes for noting; and
- having open dialogue with employees at employee engagement events.

Regarding reward and recognition, in Brand Addition, performance development reviews assess alignment with, and embodiment of, its core values, including 'Do the right thing'. It also operates a 'Cheers for Peers' programme to encourage, recognise and reward employees that most align with its values. Within Facilisgroup, employees that are not aligned with core values can be assigned a specific Performance Improvement Plan and will not be paid a bonus. Facilisgroup awards prizes and positive recognition on a quarterly basis to the person who best displays core values and also awards the 'employee of the year'.

Q Cross-reference to detail:

- Group values on page 2.
- Group purpose and strategy on page 5.
- Our strategy in action on page 19.
- Our stakeholders on pages 21-24.
- ESG on pages 26-46.
- Our Governance Structure on pages 63-67.
- Key Governance Policies pages 71-72.
- Monitoring compliance with policies in the Audit Committee report on pages 81-83.

Principle 3:

Seek to understand and meet shareholder needs and expectations.

The Executive Directors have primary responsibility for liaison with the Company's shareholder base and during 2024 they maintained active and frequent dialogue. The Chair leads engagement with investors on governance matters and Anne de Kerckhove has held one-to-one meetings with shareholders since her appointment in September 2024. The Chair of each Committee attends the AGM and is otherwise available for questions via the email address publicised on the Company's website.

The Stakeholder engagement section of this Report states how the Group engaged with shareholders in 2024, the topics discussed with shareholders and the actions taken as a result.

Regular updates on shareholder meetings, together with all reports and feedback issued by analysts are provided to the Group Board to support their understanding of the view of the Group by the investment community. The Group Executive Committee discusses shareholder needs and expectations in the context of upcoming market announcements and other touchpoints at every meeting and reviews investor feedback received following each of those touchpoints.

The 2025 AGM will again ensure maximum opportunity for shareholder engagement in that forum by enabling shareholders to view the meeting via a live webcast and participate via live Q&A functionality. To request a meeting or submit a question, please contact investors@thepebblegroup.com.

The Group has to date experienced minimal dissenting votes at AGM. To understand motivations behind shareholder voting decisions, the Group General Counsel and Company Secretary and the Senior ESG officer attend proxy voting guidance awareness training and the Remuneration Committee seeks advice from its external remuneration adviser to ensure that the Group understands shareholder expectations. This information is used to help shape the Group's actions to address stakeholder needs and concerns.

Through the Group's four established ESG cornerstones and its ESG materiality assessment, the Group has identified the environmental and social matters that are most important to the Group and meet its investor needs and expectations. These are described in the ESG section of this Report and the Group's standalone ESG Report. The materiality assessment is performed periodically and includes input from all key stakeholders, including investors to determine the areas of highest importance and priority to them. The annual ESG report details the steps being taking to minimise the Group's environmental impact and to address social matters. The Group seeks feedback on the report content and the actions being taken to ensure that it meets the needs and expectations of our stakeholders.



Cross-reference to detail:

Our stakeholders on pages 21 – 24.

ESG on pages 26 – 46.

Investor presentations and the Group's standalone ESG Report can be found on the Company's website.

Principle 4:

Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success.

Our values identify our commitment to social responsibilities and having a sustainable impact, but also demonstrate how being connected to all of our stakeholders is integral to the Group's culture. The aim of this is to ensure that the needs and aspirations of all stakeholders are understood by our teams, senior management and, ultimately, the Group Board to ensure long-term success. The Group Board and its Committees have regard to relevant stakeholder interests in all key decision-making. Our Board report template prompts authors to outline the consequences of each proposal on the long-term success of the Company including (where relevant) the impact on the Company's wider social and environmental responsibilities.

The Group Board identifies its key stakeholders through feedback from Divisional Leads and noting the focus of key discussion at each meeting. The emphasis on consistent engagement to develop and strengthen stakeholder relationships means that the Group has invested in processes and systems to ensure steps are taken to solicit feedback from stakeholders in various ways. These, as well as how the Group considers and acts on the themes arising from this feedback, are described in detail in the Stakeholder engagement section of this Report.

'Empowering our people' is one of the Group's ESG cornerstones and employees are considered to be a key stakeholder group. The Group devotes particular attention to its employees to ensure that its practices towards them are consistent with Group values, as described in the Stakeholder engagement, Governance structure and the ESG sections of this Report. The Audit Committee ensures that a good whistleblowing policy and process is in place to support and encourage employees and stakeholders to raise concerns in respect of conduct within the organisation that could fall below expected standards without fear of recrimination, victimisation or suffering a disadvantage of any kind. It also ensures that any reports are handled appropriately and effectively.

The Group Board ensures oversight and governance of the Group's approach towards relevant social and environmental issues through its periodic review of the ESG governance framework and annual approval of Group ESG strategy and policy. Our ESG governance framework, as set out in the Our Governance

Structure section of this Report has full details. The Audit Committee oversees the Group's risk register which includes an assessment of the climate-related risks and opportunities that the businesses face. This is reviewed and approved biannually. Day-to-day oversight of achievement against social and environmental objectives is managed by the Senior ESG Officer who works alongside each Group business to ensure alignment to the Group objectives to deliver upon our action plans. This is taken extremely seriously as the Group Board understands that the Group's broader social and environmental impact has the potential to affect the Group's ability to deliver shareholder value over the medium to long-term. The Group integrates awareness and monitoring of social and environmental impact through its ESG governance framework and strategy, which align with the overall strategy, risk management and business model and are not treated or managed in a silo.

'Advancing sustainability' and 'Community engagement' are two of the Group ESG cornerstones representing the environmental and social issues that are most important and relevant to the Group. The Group Board also has insight and understanding of the environmental and social issues that are material to its purpose, strategy and business model from its ESG materiality assessment conducted periodically. The issues, any relevant associated KPIs used for tracking performance of them and, where relevant, key forward-looking targets are described in detail in the ESG section of this Report and the Group's standalone ESG Report.



Cross-reference to detail:

Group values on page 2.

Our stakeholders on pages 21 – 24.

Group Board engagement with our businesses and employees on page 65.

Advancing Sustainability on page 30.

Empowering our people on page 34.

Engaging with our community on page 37.

Audit Committee report on pages 81 – 83.

ESG governance on page 66.

The Group's standalone ESG Report can be found on the Company's website.

Principle 5:

Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.

The Group generally maintains a cautious risk appetite but considers each risk on its merits taking account of its nature, severity of impact and likelihood of occurrence following the implementation of appropriate internal controls. The Group Board acknowledges the need to accept a certain level of strategic risk to achieve capital growth for shareholders.

The Group Board ensures that the risk management framework identifies and addresses all relevant risks to the execution of the Group's strategy through delegation to each of the Audit Committee, Group Executive Committee and Operating Boards which each play a role, as described in the Risk management section of this Report. The framework includes an effective process for identifying risks; considering and assessing risks on a proportionate and material basis; and managing risks. Risk registers are held and reviewed on a biannual basis at both Divisional and Group level and alignment reviews take place with thorough discussion at Group level, including the CFO, Group Financial Controller, Group General Counsel and Company Secretary, Senior ESG Officer and Group Head of Tax. The Audit Committee provides the assurance that the risk management and related control systems in place throughout the Group's businesses are embedded and effective.

The Group's governance around climate-related risks and opportunities, the process for identifying, assessing and managing climate-related risks and how these processes are integrated into the Group's overall risk management framework, is explained in the TCFD section of this Report.

The Audit Committee has monitored and formally considered auditor independence during the corporate reporting cycle, concluding that the newly appointed external auditors for 2024 are sufficiently independent of management, as explained further in the Audit Committee report.

Q Cross-reference to detail:
Risk management on pages 55 – 59.
TCFD on pages 41 – 46.
Audit Committee report on pages 81 – 83.

Maintain a dynamic management framework

Principle 6:

Establish and maintain the Board as a well-functioning, balanced team led by the Chair.

Anne de Kerckhove was successfully appointed as Independent Non-executive Chair during 2024 to lead the Group Board, which remains a well-functioning team. Yvonne Monaghan has been in place since IPO as Senior Independent Director and there is strong independent representation which ensures that the dynamic is not dominated by one person or a group of people. All Non-executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Group Board. The shareholdings held by the Non-executive Directors are immaterial and they do not participate in performance-related remuneration schemes or have any interest in Company share option schemes. Therefore, based upon the judgement of the Group Board they are independent. Non-executive Director independence will be reviewed annually.

The Board Committees are fully independent.

Executive Directors dedicate a full-time commitment to the Company and Non-executive Directors provide a strong time commitment, effectively discharging their responsibilities. This includes time spent in preparation for, attendance at, and dealing with actions arising from, all Group Board and Committee meetings, each of which had very strong attendance in 2024. It also includes participation in employee engagement and Facilisgroup Partner and supplier events. Time commitment from Non-executive Directors was highlighted as a particular strength in the 2024 Board Effectiveness Review.

Shareholders are given the opportunity to vote annually on the (re-)election of all individual Directors to the Group Board. Upon appointment as Non-executive Chair, Anne de Kerckhove had a number of external appointments however, the Board notes that Anne de Kerckhove has served notice on and is due to exit one external Non-executive Chair appointment by 18 June 2025, materially reducing her other commitments. The Board has therefore concluded that all Directors allocate sufficient time to the Company and are able to discharge their responsibilities.

Formal Board Effectiveness Reviews are carried out on an annual basis with follow-up tasks actioned each time. Following the outcome of the 2024 review, the Board concluded that the results were a real indication that the Directors were generally operating effectively and performing to a high standard as a unit, in Committees and also individually.

The Board Appointment Process and Succession Planning Process are designed to work hand-in-hand with the Group's DEI policy and each new Board position is viewed as a real opportunity to broaden diversity. The Nomination Committee has concluded that the current mix of experience, skills and capabilities support delivery of the Group's strategy. This is kept under periodic review to consider future strategic requirements and anticipated

developments given the Group's growth journey and evolving strategy. Action is taken to strengthen where needed, for example:

- 2025 focus on future Non-executive Director succession;
- evolution of the Non-executive Director Skills Matrix in 2024 to add three new strategically important skills;
- improved technology and product innovation expertise coverage following appointment of Anne de Kerckhove in 2024; and
- more detailed technical oversight and guidance around technology product development in Facilisgroup following the appointment of David Moss in 2023.

This is how the Group Board contains (and will continue to contain) the necessary mix of experience, skills and capabilities to adequately inform and oversee the execution of the Group's strategy for the benefit of the shareholders over the medium to long-term.

Q Cross-reference to detail:
Directors Biographies on pages 79 – 80.
Group Board structure and composition on page 66.
Group Board meeting frequency and attendance on page 64.
Overview of Group Board's Committees on page 67.
Committee meeting frequency and attendance in each Committee report on pages 68, 81 and 84.
Annual Board Effectiveness – see Principle 8 on page 77.
Nomination Committee report on page 68.

Principle 7:

Maintain appropriate governance structures and ensure that, individually and collectively, the Directors have the necessary up-to-date experience, skills and capabilities.

The Group’s governance structure, as set out in the Our Governance Structure section of this Report evolved to fit naturally with our culture and adopted ways of working. It is reviewed periodically by the Group Board and will be enhanced where required in line with growth and evolution of strategy and business models. As a result, it is currently considered appropriate to the Group’s size, complexity, maturity and stage of development.

The role of each member of the Group Board is clearly defined. The Chair is responsible for the operation of the Group Board and corporate governance within the Group. The CEO is responsible for proposing the strategic direction of the Group Board and implementing the strategy, once approved. The CFO is responsible for all financial matters. All are available for engagement with shareholders.

Formal Board and Committee processes and timetables are facilitated by the Company Secretary. Each meeting has an agenda, uses a report template (with Section 172 guidance) and timely information is circulated in good time prior to each meeting. Considered planning ensures that appropriate time is allotted for open and in-depth discussion. All actions arising are formally tracked, followed up and reported. The Chair and Company Secretary keep Group Board processes under review, including conducting annual planning and agenda setting which aligns with the terms of reference. This results in the Group Board and its Committees receiving high quality, accurate and timely information on a regular basis, which supports good decision-making by the Directors. The Company Secretary acts as adviser to the Chair and the Group Board, with responsibility for ensuring effective Group Board processes are followed. The Group Board reviews its formal schedule of matters reserved for the Group Board and each Committee reviews its terms of reference on an annual basis to ensure they remain fit for purpose and continue to support good decision-making.

Our Directors are professionally active and each has demonstrated that they possess the appropriate skills, capabilities and experience for the roles they perform, including as members of the Group Board and its Committees. Group Board experience is extensive and varied and the mix of personal qualities and gender balance contributes to the Group Board’s ability as a whole to deliver the Company’s strategic objectives. The Nomination Committee has concluded that the current skills and experience support delivery of the Group’s strategy, considering the future strategic requirements and anticipated developments.

The skills and experience of the Group Board are reviewed annually through use of a forward-looking Non-executive Skills Matrix and by the Annual Board Effectiveness review to ensure that it is sufficiently resourced to fulfil its governance responsibilities on behalf of all stakeholders, including among other things with respect to cybersecurity, emerging technologies and relevant sustainability matters, such as ESG and climate change. In addition, the Group Board engages experts where it believes doing so will enhance our governance approach, for example, our ongoing appointment of Executive remuneration advisers and consultants on DEI. The Group Board and Committees use professional advisers at the Company’s expense when considered necessary.

All Directors were (re-)elected at the 2024 AGM and shareholders are given the opportunity to vote annually on the (re-)election of all individual Directors to the Group Board.

Directors are provided with a regular ‘Boardroom Briefing’ covering a range of corporate governance issues, such as: new laws and regulations; new governance code requirements; and consultations on issues such as DEI and reporting. The Company’s external auditors provide regulatory updates and briefings to the Group Board twice per year on relevant corporate reporting developments or similar ‘hot topics’ for the year under review.

The Company’s Nominated Adviser and broker provides annual Group Board training, covering the AIM Rules, Market Abuse Regulation, managing price sensitive information, Takeover Code and other topical regulatory updates. The Directors are provided with the opportunity to attend other updates and/or training sessions to ensure continued development of knowledge, skill and capability.

Q Cross-reference to detail:

- Our Governance Structure on pages 63 – 67.
- Each Committee report on pages 68, 81 and 84.
- Board Agenda on pages 63 – 64.
- Directors Biographies on pages 79 – 80.
- Group Board roles and responsibilities on the corporate governance section of the Company’s website.
- Schedule of matters reserved for the Group Board and each Committee’s terms of reference on the Company’s website.
- Nomination Committee report on page 68.
- Annual Board Effectiveness – see Principle 8 on page 77.

Principle 8:

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

The Group Board, led by the Chair, fosters a culture of continuous improvement to maximise the effectiveness of Board practices.

It performs an annual formal assessment of the effectiveness of the Group Board and its performance as a unit as well as that of its Committees and the individual Directors.

The Process

The process is conducted internally by the Group Board on a non-anonymous basis, which reflects its open culture and nature. In 2024, a digital platform was used to facilitate the process and present results, also permitting year-on-year comparison. However, our governance practice does differ from the expectations set by the QCA Code because the Group has no current plans to supplement with an external independent third-party review. The Company regards the review process as a valuable tool for driving continuous improvement, however, given the size and nature of the Board and its Committees, the stage of the Group’s development and the cost implications, it was agreed that external facilitation was not required at this stage. This will be re-considered in advance of each future review.

- The Chair of the Group Board is responsible for and leads the process, with assistance from the Company Secretary to ensure that all Directors are actively engaged.
- All Directors complete a questionnaire using the digital platform.
- The criteria against which effectiveness is considered are: ‘Composition and Process’; ‘Behaviours and Activities’; and in 2024, a new section was added on ‘ESG and Sustainability Governance’.
- A digital report on the results, together with a written analysis, is tabled for full Board discussion.
- Directors’ evaluation of the results is facilitated by the Company Secretary during a Board meeting with full attendance.

- Actions are included and followed-up as part of standard Group Board and Committee process.

The Nomination Committee reviews the Group Board effectiveness process annually to enhance and improve the exercise. The above process was followed in Q4 2024, which was considered to be fit-for-purpose given the size, nature and complexity of the Group Board and its Committees, current stability of composition and governance maturity.

Results and recommendations of the 2024 Review

Particular strengths highlighted:

- Size and independence of Board.
- Attendance and active contribution at meetings.
- Knowledge of capital markets.
- Time commitment from Non-executive Directors.
- Board appointment and induction processes.

Recommendations

- Enhancing agenda white space and time in meetings for strategic thinking and discussion around business challenges.
- Re-visiting remuneration, in particular in light of LTIP performance, initiating a review of the continued value of the LTIP as an effective motivational, incentivisation and retention tool.

Progress against previous recommendations

The Group Board has continued focus on the areas for development identified in the 2023 performance review as outlined in the Company’s 2023 Annual Report as follows:

- DEI activities and RACE Code alignment; and
- improved focus and further development of plans across the Group.

Succession Planning and Board Appointment Process is built into the Nomination Committee’s annual cycle of activities and it approves the formal Succession Planning Process and Board Appointment Process on an annual basis.

The Succession Planning Process considers a five-year horizon and the Group’s likely expansion over that timeframe, together with any likely gaps in skills, insights, perspectives and experience. It must work hand-in-hand with the Group DEI policy and considers risk assessment of immediate loss, talent identification, training and support and active networking. A forward-looking Skills Matrix is used for Non-executive Director succession planning.

A robust six step Board Appointment Process is in place for Directors, covering: (i) needs analysis; (ii) profile and timetable; (iii) search; (iv) selection; (v) nomination; and (vi) appointment and induction. Each Divisional Operating Board has its own tailored version to govern senior management appointments.



Cross-reference to detail:

- Nomination Committee report on page 68.
- Succession Planning Process on the Company’s website.
- Board Appointment Process on the Company’s website.

Principle 9:

Establish a remuneration policy which is supportive of long-term value creation and the Company’s purpose, strategy and culture.

The Board has delegated responsibility to establish an effective Remuneration Policy to the Remuneration Committee. The Remuneration Policy is set out in detail in the remuneration section of this Report. It is designed to be simple and easy to understand and to motivate the Executive Directors to promote the long-term growth of shareholder value.


The Remuneration Policy approach and explanation on page 84 sets out how the remuneration structure and practice supports the delivery and attainment of the Group’s purpose, business model, strategy and culture.

A review was undertaken by the Committee during 2024 to look at remuneration practices across the Group and how they support the desired culture and promote the right behaviours and values. It concluded that certain elements of remuneration were sufficiently linked to culture and values and the mix encouraged the desired behaviours and long-term outlook.

To date, the building and holding of a meaningful shareholding in the Company has been encouraged through wide use of the LTIP and SAYE and through the requirement for the Executive Directors to hold the equivalent of 200% of salary in shares. The shareholdings of the CEO and CFO are currently well in excess of this. With the aim of keeping remuneration up to date and

effective, during 2024 the Committee initiated consideration of a new variable remuneration plan for the senior team and a new LTIP for the Executive Directors and intends to consult with major shareholders in 2025 with a view to launching the plans during 2025, subject to securing shareholder approval.

To reflect our approach to good corporate governance and the promotion of engagement between the Remuneration Committee and our shareholders, we will put our Remuneration report on pages 84-95 and our Remuneration Policy on pages 86-89 to separate advisory votes at the 2025 AGM.

 **Cross-reference to detail:**
Remuneration report on pages 84 – 95.
Remuneration Policy on pages 86 – 89.

Maintain a dynamic management framework


Principle 10:

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

The detailed responses to the principles of the QCA Code in this section of the Report, in conjunction with the dialogue with shareholders and other key stakeholders in 2024 described in detail in the Our stakeholders section of this Report and the other related information throughout this Report, communicates to shareholders and other relevant stakeholders how the Company is governed and is performing.

Shareholders and other stakeholders are free to engage in dialogue with the Company via investors@thepebblegroup.com.

Challenges experienced during the year and reflections thereon, including action taken to address them, are covered throughout this Report, in particular in the CEO’s review and Section 172 Statement.

 **Cross-reference to detail:**
CEO’s review on pages 15 – 18.
Section 172 Statement on page 25.
Our stakeholders on pages 21 – 24.
A range of relevant information is included on the Company’s website.