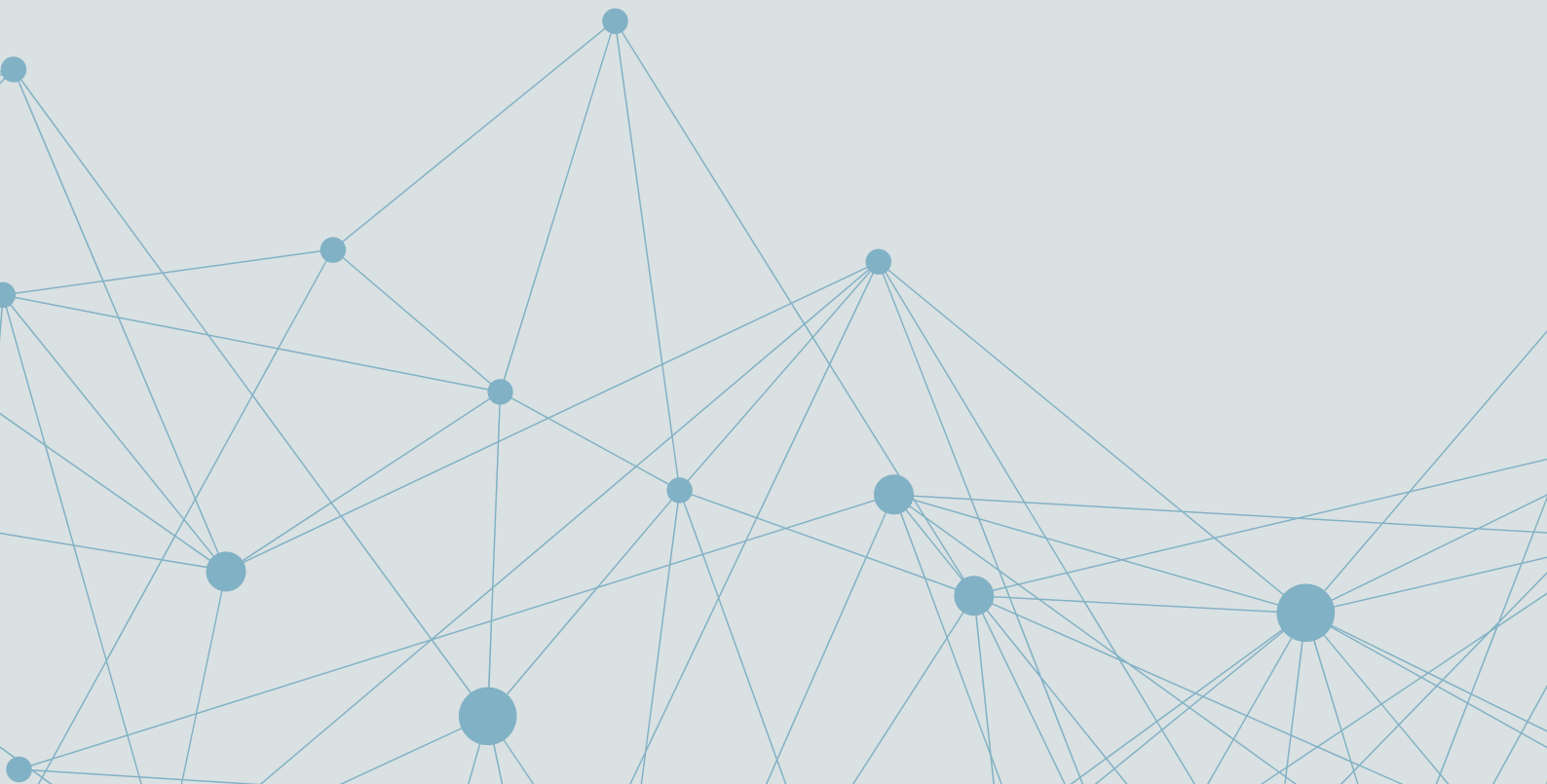


TISE

**The International
Stock Exchange
Group**

Statement of Compliance with the QCA Corporate Governance Code



Chairman's Statement

The board of directors (the Board) of The International Stock Exchange Group Limited (the Company) recognises the importance of corporate governance and its contribution to promoting the long-term success of the Company. The Board has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (Code). The Code contains ten principles of good corporate governance and our application of these principles at this current point in time is summarised below.

The Chairman is responsible for the leadership and governance of the Board, and for promoting high standards of integrity, probity and governance throughout the Group. The Group's values of honesty, integrity and excellence foster a culture of accountability, efficiency and innovation which stimulates sustainable business growth over the longer term. Our culture supports the Group's mission to provide a pragmatic and sensible regulatory regime which appropriately balances the needs and interests of all of our stakeholders.

The Board determines the Group's strategy and overall commercial objectives, ensuring that our organisation is run effectively for the long-term benefit of our shareholders and other key stakeholders. The Group's growth strategy is based on expanding our existing business whilst also identifying new revenue opportunities through the diversification of our products, services and geographical markets. Central to this strategy is the development of our equity market, the biggest challenge for which remains the ability to create liquidity.

The Chairman is responsible for setting the Board's agenda and for ensuring that all directors have the necessary time, information, understanding and support to effectively contribute their skills and experience to inform Board discussions and shape the Group's strategic direction. The Chairman is also responsible for ensuring that the views of our shareholders are communicated to the Board as a whole and I am pleased to make myself available to any shareholder wishing to discuss matters. The Company's governance and reporting arrangements are kept under review and enhancements are made where opportunities to do so are identified. In recognition of the changing needs of our shareholders and stakeholders, this year we have published a Corporate Sustainability Statement providing further information on the Group's proactive approach to sustainability, integrity and good governance (www.tisegroup.com/about/investor-relations). The business is managed in a progressive and responsible manner which we believe will further advance its strong financial performance.

Lastly, I am pleased to report that the Board considers that it has complied with all principles of the Code during the year.



Jon Moulton

Chairman

Principle 1: Establish a strategy and business model which promote long-term value for shareholders

Vision

To be a leading, international exchange group.

Mission

To provide a strong, commercial approach to creating a pragmatic and sensible regulatory environment for our chosen markets which appropriately balances the needs and interests of our stakeholders.

Strategy

In order to achieve its vision and mission, the Group has developed a number of strategic aims focused on:

- Developing the concept of "The International Stock Exchange" through international expansion and promotional campaigns;
- Diversifying TISE's products, services and geographical markets by identifying opportunities for new revenue streams and innovation;
- Protecting and expanding TISE's existing business by continuously improving client service levels;
- Extending TISE's membership, especially new trading members and international members;
- Increasing market liquidity by developing the equity market and a tailored offering for SMEs; and
- Investing in our staff and providing career opportunities to attract and retain a motivated and skilled workforce.

The strategy sets the overall priorities for the Group which are subsequently implemented via departmental business plans and, at an individual level, personal objectives. Management ensure that staff are kept updated as to the Group's strategy and progress, so that they too can share ownership of the goals and participate in achieving them through the delivery of departmental business plans and personal objectives.

Key challenges and how they will be addressed

The Board has identified the following key challenges:

- **Competition** – The competitive landscape for capital markets is evolving and that competition takes a variety of forms. Rather than competing purely with the traditional exchanges, our competitors now also come from the private capital markets, alternative financing (such as crowdfunding) and more recent fintech innovations such as digital asset platforms. The Board stays abreast of such developments and actively seeks to identify areas for competitive advantage and opportunities for collaboration.
- **Dynamic regulatory, fiscal and compliance environment** – The Group operates a stock exchange within a complex legislative, regulatory and fiscal environment. The Group has an experienced team of regulatory and compliance professionals who undertake horizon-scanning to identify new developments and put in place mechanisms, processes or procedures to capture and respond to the new requirements as they arise.
- **Market liquidity** – Liquidity remains a significant challenge and the Board recognises that modifying our systems and attracting new participants to our market are key drivers in this respect. There have been encouraging signs of increased liquidity in our market in recent months and the Board remains cautiously optimistic that this trend will continue and be enhanced by further planned developments in this area.
- **Personnel** – The Group's long-term success is dependent upon its ability to continue to attract, develop and retain high quality staff. The pool of talented staff available within the Crown Dependencies of Guernsey, Jersey and the Isle of Man is limited and the unique nature of our business within the islands presents further challenges for the recruitment of experienced staff. Work to enhance the TISE brand and our established Corporate Social Responsibility (CSR) programme help to promote the Group's business and values to external audiences. The Group has been very successful in attracting candidates with the relevant skillsets through recruitment activities both on and off island. An enhanced career development framework was introduced in 2019 which, together with the progress already made to embed our culture and values, will enable us to continue to attract, develop and retain strong performers.
- **Uncertainty** – Uncertainty is both a threat and an opportunity in terms of the Group's strategy. The external environment can often significantly influence new business coming to the Exchange, not only in terms of the type of business but also the volumes. Whilst the Board remains focused on the strategy, it must remain alive to opportunities that present themselves and be able to react quickly to the changing environment.
- **Coronavirus (COVID-19)** – Given the current and predicted impact of the COVID-19 pandemic on the global economy and capital markets, it is likely that there will be some slowdown in listing activity in the short to medium term. The Group continues to take a precautionary approach in managing its response and has successfully adapted its working practices to ensure business continuity and safeguard the interests of its staff and the communities in which it operates. The Group continues to closely monitor the spread of the virus and the advice of public health officials in all of our jurisdictions.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board is committed to ensuring that it communicates with shareholders in a transparent and timely manner through the provision of accessible and high quality information. The Board releases announcements to the market in accordance with TISE's Listing Rules and uses the annual and interim financial statements, website and media releases to provide further information to current and prospective shareholders.

The Chairman is responsible for ensuring that the views and concerns of shareholders are communicated to the Board as a whole. The Board reviews proxy voting reports and, where there is any significant dissent, seeks to engage with the relevant shareholders to understand and resolve any issues. Outside of formal engagements, contact details for the Chairman and Chief Executive Officer are included on the Group's website, to enable shareholders to communicate with the Board should they wish to share their views. The Chairman of the Company makes himself available to shareholders at all times.

The Annual General Meeting is the Company's primary forum for communicating with shareholders. Notice of the Annual General Meeting is issued at least ten days prior to the meeting and shareholders are encouraged to attend. The Chairman and Chief Executive Officer make themselves available for further discussion both prior to and following the meeting. The Chairmen of the Board and Group committees, together with the other directors will, where possible, attend the Annual General Meeting and are available to answer questions raised by shareholders. All resolutions are voted on separately and a market announcement is published confirming whether the resolutions proposed have been passed.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that engaging with our stakeholders and strengthening these relationships is integral to the long-term success of the Group. The Board is updated with feedback from stakeholders to ensure that the issues which matter most to them are considered as part of the decision-making process. Aside from our shareholders (including the States of Guernsey), the Board recognises staff, members, issuers, advisers, regulators, investors and society at large as being our most important stakeholders. The Board's Corporate Sustainability Statement is published on the Group's website and provides further information on the Exchange's important economic role in supporting sustainable growth and providing investors with the information to make informed decisions.

Staff

The Group is committed to providing career and development opportunities for all staff and ensuring that they are treated fairly and with respect. The Group implements employment policies which follow best practice and, in so doing, ensures that staff are supported and protected in all aspects of their employment. The Group values diversity throughout the organisation and seeks to provide all staff with equal opportunities in respect of recruitment, training, promotion and all other aspects of the employment relationship. The Group believes that it maintains good relations with its staff.

TISE Investors

Investor protection is at the heart of what we do. The Group's values complement the regulatory mechanisms which have been implemented to protect investors in our market.

TISE Issuers and Advisers

The Group engages with new and existing issuers and their advisers, in order to stay abreast of market trends and developments and informed about the broader market outlook. Issuers and their advisers provide feedback on TISE's service levels relative to its closest competitors; this information is used to inform objective setting for management and ensures that TISE retains its competitive edge.

TISE Members

The Group benefits from longstanding relationships with a number of TISE's members. The Board receives and solicits feedback from TISE's new and established members both directly and, when it is escalated by the subsidiary's executives, indirectly. Members provide important feedback on service levels and market views about the Group. During the recent review of TISE's Listing and Membership Rules, members contributed their expertise to ensure that the rules continued to meet the commercial needs of issuers.

Regulators

Although the Company is not itself directly regulated, the Board recognises that the Group's long-term success relies on it maintaining a good relationship with the Guernsey Financial Services Commission and regulators in other jurisdictions, such as the UK, Jersey and the Isle of Man. The Group has implemented a system of controls to ensure that it complies with applicable legislation, regulation, rules and codes.

Society

As the operator of an exchange business, the Group is an important and high-profile constituent of the financial services infrastructure of the Crown Dependencies. Coupled with the investor protection aspects inherent in an exchange business, the activities and performance of the Group are very much in the public interest. The Board is thoughtful about the impact of its actions on the public at large and there is a high degree of awareness of stakeholder responsibilities.

Outside of financial services, the Group's CSR programme helps to support and engage with the communities in which our staff live and work. Staff nominate a local community project or organisation to partner with and provide support through both fundraising and employee volunteering.

In addition to the CSR programme, the Group provides corporate sponsorship for a number of not for profit organisations and community arts and sports events, such as the Guernsey Literary Festival and Guernsey Raiders RFC. In recognition of this, we are pleased to have been amongst the first recipients of the Community Champion Award accredited through ESI Monitor.

Environment

The Group's vision, mission and values are underpinned by a focus on responsible and sustainable business practices. The Group has implemented a range of recycling and energy-efficient policies (such as reduced printing and energy saving light systems) aimed at reducing overall consumption at our offices and minimising the negative impact on our environment. Where printed marketing materials are required for events and conferences, the Group elects to Carbon Capture its paper purchases, mitigating the carbon emissions associated with paper production by funding the creation of native woodland in the UK. Branded products and event giveaways are sourced responsibly and incorporate recyclable packaging.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Group has implemented an enterprise-wide risk management framework to identify, assess, manage and control its actual and potential risks. The effectiveness of the internal controls is regularly reviewed by management, the Audit Committee, the Risk Committee and the Board.

The Board reviews and approves the Group's overall strategy, business plan and budget. The Board determines the financial structure of the Company, including the investment of surplus funds and the dividend policy. The Board receives timely and comprehensive reporting to enable the directors to assess the financial and operational performance of the Group and its key risks throughout the year.

The Audit Committee reviews the Company's financial reporting and recommends it to the Board as presenting a fair, balanced and understandable account. The committee reviews the Group's framework of internal financial controls to identify, assess, manage and monitor financial risks. The committee oversees the relationship with the external auditor and assesses their performance, resources and independence together with the effectiveness of the audit process.

The Risk Committee reviews the Group's significant risks within the context of the approved strategic objectives and overall risk appetite of the Group. The committee reviews the adequacy and effectiveness of the internal controls and risk management practices implemented by management to effectively identify, assess, manage and control key business and non-financial risks. The committee reviews the Group's non-financial controls such as regulatory compliance, data protection, business continuity and cyber security.

The Board has overall responsibility for establishing high standards of business conduct and behaviour, risk management and the internal control framework. However, such systems of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board considers that the Group's internal controls are appropriate to the size, complexity and risks posed by its activities.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chairman

The Board comprises four independent non-executive directors (including the Chairman) and the Chief Executive Officer. The Board is considered to be a suitable size and includes an appropriate combination of knowledge, skills, experience, independence and other characteristics which promote a diversity of perspectives and ensure that it operates effectively. The Board takes decisions collaboratively and there is collective responsibility for achieving success.

The Board has determined that all non-executive directors are considered to be independent in character and judgement. All directors are aware of and fulfil their duties and by doing so exercise, both individually and collectively, objective and independent judgement. In arriving at this conclusion, the Board also considers other relevant qualities, such as the directors' experience, knowledge, professional background, integrity and ethics.

The roles of the Chairman and Chief Executive Officer are distinct and separate with a clear division of responsibilities, which are set out in writing. The Chairman is primarily responsible for the leadership and governance of the Board. The Chairman ensures that all directors actively participate in Board and committee meetings and effectively contribute their skills and experience to inform discussions and shape the Group's strategic direction. The Chief Executive Officer has overall responsibility for leading the development and execution of the Group's strategy, implementing the decisions of the Board and for managing the day-to-day operations of the Company within the appetite and strategy set by the Board.

The Board and each of its committees receives regular, timely and comprehensive reporting to enable the directors to assess the financial and operational performance of the Group and its key risks throughout the year. The Board meets formally at least four times each year and supplements this with additional ad hoc meetings as required.

The directors attend meetings in person or, where necessary, by conference facility. The Nominations Committee reviews the time required from non-executive directors and whether they are spending enough time to fulfil their duties. Outside of the meeting cycle, the Chairman engages with the directors both collectively and individually to discuss matters of business.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board benefits from directors with specific expertise in financial markets, corporate finance, accountancy, law, marketing, IT and change management. The Board comprises directors with the collective experience, skills, capability and other characteristics which are required to develop and deliver the Group's strategy for the long-term benefit of our shareholders and other key stakeholders.

Biographies for each of the directors, including their background, experience, skills and time commitment, are available on the Group's website.

Directors are provided with a comprehensive induction upon appointment and undertake ongoing professional development to ensure that their knowledge remains current and they are up to date with industry trends. Where development needs are identified, either individually or collectively, the Company supports individuals seeking training or additional information to perform their role.

The Board has implemented a rigorous and transparent process to identify candidates for appointment as a director. Upon the recommendation of the Nominations Committee, the Board makes decisions regarding the appointment and re-election of directors as well as on their removal.

Although there is no standing requirement for the directors to offer themselves for re-election at given intervals, the Board has determined that all directors should be subject to election by shareholders at the first Annual General Meeting following their appointment and to re-election thereafter at intervals of no more than three years.

All directors have access to the advice and support of the Company Secretary and may seek external advice, at the Company's expense, should they require it. The Nominations and Remuneration Committees are both authorised to engage external consultants to assist them with their work.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The performance of the Board, its Chairman and individual members, is formally evaluated on an annual basis using a self-assessment questionnaire. The summarised and anonymised results of the evaluation are considered by the Board and, where areas for improvement are identified, remedial actions are agreed. The Board also reviews progress made against the actions agreed during the prior year's evaluation.

The Nominations Committee reviews the results of the Board and committee evaluations as they relate to the following areas:

- composition of the Board;
- commitment required from non-executive directors and whether they are spending enough time to fulfil their duties;
- plans for succession, both executive and non-executive directors; and
- the re-appointment of any non-executive director under the "retirement by rotation" provisions having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required.

The Board's performance evaluations to date have been internally facilitated. This is considered to be the most efficient use of the Company's resources and proportionate to the size of the Board. Nevertheless, the Board is mindful of the benefits of undertaking an externally facilitated evaluation from time to time and will keep this under review.

The Nominations Committee considers succession planning on an at least annual basis and makes recommendations to the Board. The Board benefits from having directors with a variety of lengths of service and succession is managed as circumstances arise. The Board seeks to maximise the development of internal talent but recognises that the Group's modest size creates dependencies upon external recruitment processes.

Principle 8: Promote a culture that is based on ethical values and behaviours

The Board approves the Group's vision, mission, strategy and values, effectively setting the 'tone from the top'. The Group's values of honesty, integrity and excellence foster a culture of accountability, efficiency and innovation which support the Group's mission and promote a corporate culture based on ethical behaviours and conduct. The Chief Executive Officer is a visible advocate of the Group's values and actively encourages all staff to demonstrate our values within their everyday working practices. Supported by the Human Resources department, management ensure that staff are aware of the Group's values and their personal objectives are aligned to these. Furthermore, staff are encouraged to demonstrate their application of the values and they form a key consideration during staff performance reviews.

The Group maintains and regularly reviews its Financial Crime policies (including money laundering; tax evasion; terrorist financing; fraud; bribery and corruption; and market abuse), Health and Safety policy and Whistleblowing arrangements and provides training for staff in these areas.

The Board recognises the importance of building a strong, healthy corporate culture and the benefits which this brings to the organisation. The Board receives regular feedback from staff and other stakeholders which it uses to assess and monitor ethical behaviours and conduct throughout the Group.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Group is committed to high standards of corporate governance and has implemented an effective governance framework which underpins delivery of its vision, mission and values. The Group's legal structure separates the strategic and promotional activities of the Company from the regulatory activities and functions of the subsidiary. The segregation of these potentially conflicting interests is achieved on a day-to-day basis through the operation of ethical walls and information barriers.

The Corporate Governance Report in the annual report and financial statements provides further information about Board members' specific responsibilities and skills, as well as the roles of the various Group committees.

Board meeting schedule

The Board meets formally at least four times each year and supplements this with additional ad hoc meetings as required. An agenda plan is produced prior to the start of each year which ensures that all matters of importance to the Company are considered by the Board and appropriate meeting time is allocated to enable proper debate.

Timely and comprehensive papers are circulated prior to each substantive Board and committee meeting. This enables directors to prepare adequately and give proper consideration to the items. The Board papers include detailed information on business activities and financial performance, including the activities and performance of the subsidiary. Matters of concern and decisions required are highlighted, and background information provided to facilitate a relevant and robust discussion at the meeting. Any actions arising from such meetings are recorded by the Company Secretary and followed up by the senior management team. The Company Secretary prepares comprehensive minutes which are circulated to the directors following each Board meeting and submitted for approval at the next meeting.

Roles of the Board, Chairman and Chief Executive Officer

The Board is collectively responsible for directing and supervising the management, business and affairs of the Company and for enhancing long-term shareholder value. The Board has overall responsibility for establishing high standards of business conduct and behaviour, managing risks and ensuring that internal controls are implemented to meet ongoing compliance with applicable legislation, rules and codes.

The roles of the Chairman and Chief Executive Officer are distinct and separate with a clear division of responsibilities, which are set out in writing. The Chairman is primarily responsible for the leadership of the Board and for creating the conditions for overall Board and individual director effectiveness. The Chairman ensures that all directors actively participate in Board and committee meetings and effectively contribute their skills and experience to inform discussions and shape the Group's strategic direction. The Chief Executive Officer has overall responsibility for leading the development and execution of the Group's strategy, for implementing the decisions of the Board and for managing the day-to-day operations of the Company within the appetite and strategy set by the Board.

The Chairman of the Board, Jon Moulton, is also currently Chairman of the Audit Committee. Whilst recognising that these roles are commonly segregated, this arrangement reflects that only one of the Company's non-executive directors has specific financial expertise and an accountancy qualification. The Board considers that this arrangement is the most appropriate and effective use of his expertise.

The Board reviews and approves the Group's overall strategy, business plan and budget, and monitors the performance of the Company and management against the goals and objectives it has set. Comprehensive performance reporting, including variances from plans and forecasts, is provided to the Board on a quarterly basis. Results are reported against budget and the prior year performance, and forecasts for the current financial year are revised from time to time when actual performance makes it appropriate to do so. The directors of the board of the subsidiary company and members of the senior management team attend Board meetings where appropriate to present their papers. Whilst the majority of Board meetings are held in Guernsey, the Board holds one meeting per year in each of the other office locations (being Jersey and the Isle of Man) which provides the non-executives with the opportunity to engage more broadly with the business and staff.

The Chief Executive Officer is supported by an established senior management team with significant expertise in their respective fields. The Group's Heads of Departments meet formally on a fortnightly basis to review operational performance and discuss developments affecting the Group as a whole. Any member of this team may raise matters with the Chief Executive Officer for discussion by the Board.

The Board has determined that, within the overall context of the Group's scale, risk management framework and the work of Compliance, Finance and the external auditor, an internal audit function is not currently required. This decision will be kept under review as the Group develops.

Roles of the Group Committees

The Board, together with the board of the subsidiary company, has established four Group committees to oversee specific areas and activities: Audit Committee, Nominations Committee, Remuneration Committee and Risk Committee. Each of the committees has terms of reference detailing their roles and responsibilities and these are reviewed by the Board annually.

The Board is represented on each of these committees by at least two non-executive directors and the committees provide regular reporting to the Board on their activities. Whilst these committees may provide advice and make recommendations to the Board in respect of any areas within their remit, it remains the responsibility of the Board to agree and approve any action required.

Audit Committee

The committee is chaired by Jon Moulton, with Adrienne Muir and Anderson Whamond appointed as members. The Chief Executive Officer and Chief Financial Officer have a standing invitation to attend committee meetings and do so, but the committee holds at least one meeting with the auditor and without management present.

The committee meets at least twice per year and monitors the integrity of the financial reporting, reporting to the Board on any significant financial reporting issues or judgements contained therein.

The committee reviews the adequacy and effectiveness of the Group's internal controls and risk management practices implemented by management to effectively identify, assess, manage and control financial risks. The committee oversees the relationship with the external auditor and assesses their performance, resources and independence together with the effectiveness of the audit process.

Nominations Committee

The committee is chaired by Anderson Whamond, with Guy Coltman, Charlie Geffen, Jon Moulton and Stuart Turner appointed as members. Where appropriate, the Chief Executive Officer and HR Manager are invited to attend committee meetings.

The committee meets at least twice per year and reviews the structure, size, balance and composition (including the skills, knowledge, experience and diversity) of the Board. The committee makes recommendations to the Board in respect of candidates for appointment as director and may be assisted in this selection process by external consultants. Where relevant, the committee makes recommendations regarding the appointment of committee members and re-election of directors, having due regard to their performance and ability to continue to contribute to the Board.

The committee monitors the leadership needs of the Group and considers succession planning for the Group's directors and other senior executives.

Remuneration Committee

The committee is chaired by Guy Coltman, with Charlie Geffen, Jon Moulton, Stuart Turner and Anderson Whamond appointed as members. Where appropriate, the Chief Executive Officer and HR Manager are invited to attend committee meetings.

The committee meets at least twice per year and reviews the remuneration strategy of the Group, including the balance between fixed and performance related, immediate and deferred remuneration, within the context of the Group's strategic objectives and risk appetite. The committee reviews and makes recommendations to the Board on the total compensation package of each of the Group's directors and senior executives, and may be assisted in this process by external consultants. The committee makes recommendations to the Board in respect of share awards and, where relevant, associated performance conditions.

Risk Committee

The committee is chaired by Stuart Turner, with Guy Coltman, Charlie Geffen and Adrienne Muir appointed as members. The Managing Director of TISEA and Head of Market Regulation have a standing invitation to attend committee meetings and do so.

The committee meets on a quarterly basis and reviews Group's significant risks within the context of the Group's approved strategic objectives and overall risk appetite. The committee reviews the adequacy of the Group's non-financial controls, such as regulatory compliance, data protection, business continuity and cyber security, and the effectiveness of the Group's risk management strategy.

The committee considers the remit, independence and resourcing of the Market Regulation and Compliance departments to ensure that they are able to perform their functions effectively.

Matters Reserved for the Board

There is a formal schedule of matters reserved for the Board which includes items such as:

- Responsibility for the overall leadership of the Company;
- Approval of the Group's strategic aims and objectives, vision, mission and values;
- Approvals of the Group's strategy, business plan and budget;
- Approval of the extension of the Group's activities into new business or geographic areas;
- Approval of major investments including the acquisition or disposal of interests or any decision to cease to operate all or any material part of the Group's business;
- Approval of major changes relating to the Group's corporate or capital structure;
- Approval of any changes to the Company's listing;
- Approval, following recommendations from the Audit Committee, of the Annual Report and Accounts, Interim Report and any other announcements which contain financial statements;
- Approval of the dividend policy and the declaration or recommendation of dividends;
- Approval, following recommendations from the Audit Committee, of any significant changes in accounting policies or practices;
- Ensuring the maintenance of a sound system of internal control and risk management;
- Approval of the Company's and Group's risk appetite statements and oversight of the Group's risk and control process;
- Approval of major capital projects;
- Approval of contracts which are material, strategically or by reason of size, or which are not entered into in the ordinary course of business;
- Ensuring a dialogue with shareholders and other stakeholders occurs based on the mutual understanding of objectives;
- Approval of non-routine resolutions and corresponding documentation to be put forward to shareholders;
- Approval, following recommendations from the Nominations Committee, of the appointment and removal of Board members, selection of the Chairman and, where appointed, Senior Independent Director;
- Appointment, reappointment or removal of the external auditor to be put to shareholders for approval following the recommendation of the Audit Committee;
- Determining the remuneration policy for the directors (and other senior management) to be put to shareholders for approval following the recommendation of the Remuneration Committee; and
- Reviewing the Group's overall corporate governance arrangements.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company's methodology for maintaining a dialogue with shareholders and other relevant stakeholders is set out in principles two and three. The Board is committed to ensuring that it communicates with shareholders and other stakeholders in a transparent and timely manner, and believes that by doing so it demonstrates the importance it places upon the views of all stakeholders.

The Chairman and, where possible, the other non-executive directors attend the Annual General Meeting and meet with shareholders upon request. Shareholders are encouraged to attend the Annual General Meeting and to ask questions. Contact details for the Chairman and Chief Executive Officer are included on the Group's website and the Chairman of the Company makes himself available to shareholders at all times.

Reports from each of the Group committees are included in the Company's annual report and financial statements.

TISE

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