

**TAVISTOCK INVESTMENTS PLC**  
**CORPORATE GOVERNANCE REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**Introduction**

The Board continues to believe that good corporate governance reduces risk within the business, can promote confidence and trust amongst its stakeholders and underpins the effectiveness of the Company's management framework.

The Directors look to the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), as being the basis of the Company's governance framework, and consider that the Company complies with the QCA Code so far as is practicable having regard to the size, nature and current stage of the Company's development.

The QCA Code includes ten broad principles that the Company holds in mind as it seeks to deliver growth to its shareholders in the medium and long-term. These principles and the manner in which the Company seeks to comply with them can be summarised as follows:

***Principle 1:***

***Establish a strategy and business model which promote long-term value for shareholders***

- The Board acknowledges the ongoing interest in consolidation activity within the financial services sector.
- The Board's strategy is to build a large and profitable financial advisory and fund distribution business, which will increase its value to potential consolidators and will thereby create the potential for shareholders to achieve significant value from their investment in the Company.
- The Board is also focused on the development of a self-sustaining business model, improving the recruitment and development of advisers, maximising the sources of business enquiries and using technology to improve operational efficiency and regulatory oversight.
- The Group's advisory business has grown rapidly and trades profitably in its own right. Steps are being taken to further improve the efficiency and profitability of its operations.
- With shareholder support, the Board will continue to arrange for the Company to make market purchases of its own shares. Any shares purchased in this manner will be cancelled which will reduce the number of shares that the Company has in issue and will further increase the earnings per share of those shares remaining in issue.
- The combination of an increase in the commercial value of the business and a reduction in the number of shares in issue, will lead to a long-term improvement in shareholder value.
- Key risks have been addressed in the Strategic Report.

***Principle 2:***

***Seek to understand and meet shareholder needs and expectations***

- The Board welcomes constructive engagement with shareholders.
- The Company believes that shareholder expectations are most effectively managed through the release of regulatory announcements and through discussion with shareholders at the Company's Annual General Meeting.
- The Executive Directors regularly engage with the Company's major shareholders and ensure that the views expressed by them are communicated fully to the Board.
- Board members make themselves available to meet with shareholders and with potential investors as and when required.

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### CORPORATE GOVERNANCE REPORT (continued)

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##### *Principle 3:*

##### *Take into account wider stakeholder and social responsibilities and their implications for long-term success*

- The Board places great emphasis on the safety, wellbeing and mental health of all of the Company's employees and has engaged in a number of initiatives to improve each of these.
- The Board recognises the importance of every member of the Tavistock team and in doing so, has improved communication through the launch of a Tavistock intranet site, enhanced existing maternity pay arrangements and now provides every member of staff with death in service insurance cover.
- The Company also recognises the importance of engagement with its stakeholder groups, which, in addition to its employees, include investors, clients, strategic partners and the relevant authorities. The Board seeks to treat each of these groups in a fair and open manner.
- The Company continues to support a national charity, the Clock Tower Foundation, and to encourage the involvement of staff in various local and national fund-raising events.
- The Company endeavours to take account of, and to respond to, feedback received from stakeholders.
- Environmental responsibility and sustainability are important to the Company, and a number of initiatives have been pursued to improve the recycling of paper, to reduce the use of plastics and to reduce carbon footprint through the greater use of online meeting technology and a reduction in the number of office premises.
- As a contribution to the achievement of a net zero economy, the Company continues to offer both a subsidised cycle to work scheme, and a subsidised electric vehicle purchase scheme, both of which have been well received. The Company has also installed a number of charging points for use by staff driving hybrid or fully electric vehicles.

##### *Principle 4:*

##### *Embed effective risk management throughout the organisation, considering both opportunities and threats*

- Last year, to improve the efficacy of its risk management systems, the Company designed and introduced a market-leading approach to the on-going management of compliance risk via the use of tailored scorecards for each adviser. Scorecards assess the performance of each adviser based on their experience, track record, business processed by product type and risk ratings by product type. The updating of these scorecards has now been automated and they can be provided to each adviser, manager, and business leader in real time.
- The system allows each business to risk manage the levels of pre-sale and post-sale file checking both by adviser and by product type. Certain higher risk products such as pension transfers, VCTs and equity release will always require pre-sale checking. However, for most products, the level and frequency of oversight is adjusted in real-time based on individual adviser performance risk.
- A risk management function has been established with a dedicated Risk Manager and a separate Risk Committee. The Risk Manager's role is to identify, monitor and report on all aspects of risk faced by the business. This enables the Board to determine the level of the Company's risk appetite and to take steps in mitigation where appropriate.
- Commercial risks and opportunities are considered by the Board and by the Group's Leadership Board, which is comprised of the Executive Directors and the heads of all major Group functions. The Leadership Board meets formally on a monthly basis.

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##### *Principle 5:*

##### *Maintain the board as a well-functioning, balanced team led by the chair*

- The composition, roles and responsibilities of the Board and of the various Committees are set out on page 14 of the Report and Accounts. The number of meetings held and Directors' attendance are also detailed.
- To enable the Board to discharge its duties in an effective manner, all Directors receive appropriate and timely information. The Agenda for each meeting is determined by the Chairman who arranges for briefing papers to be distributed to all participants for consideration ahead of meetings. All meetings are minuted and the accuracy of the minutes is confirmed at the subsequent meeting before approval and signature by the Chairman.
- The Chairman, Oliver Cooke, the Chief Executive, Brian Raven, and the Group Finance & Operations Director, Johanna Rager, have considerable experience of operating at board level in public and in private companies. The Chairman is a qualified Chartered Accountant and has served as finance director on the boards of various public companies. The Chief Executive has held a number of sales, operational and leadership roles at board level within public companies. The Group Finance & Operations Director has held senior positions within a number of international companies. The Non-Executive Directors, Roderic Rennison and Peter Dornan, both have extensive sector knowledge and experience and come from strong regulatory backgrounds.
- The Chairman devotes a minimum of two days per week and the other Executive Directors devote the whole of their time to the business of the Group. The Non-Executive Directors devote one to two days per month to their duties.
- Under the terms of their contracts, the Non-Executive Directors are required to obtain the prior written consent of the Board before accepting additional commitments that might conflict with the interests of the Group or impact the time that they are able to devote to their role as a Non-Executive Director of the Company.
- The Company does not currently have a separate Nominations Committee as this is considered unnecessary given the Company's size and stage of development. The need for such a committee will be kept under review by the Board as the Company develops.

##### *Principle 6:*

##### *Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities*

- The Chairman complies with the continuing professional development requirements of the Institute of Chartered Accountants in England and Wales, of which he is a long-standing member. The other Executive Directors, in conjunction with other members of the executive team, ensure that their knowledge is kept up to date on key issues and developments pertaining to the Company, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors have consulted and received advice as well as updates from the Company's nominated advisor, company secretary, legal counsel and various other external advisers on a number of matters, including corporate governance. From time to time, members of the Board also participate in industry forums.
- Biographies for each of the Directors can be found in the Directors' Report.

##### *Principle 7:*

##### *Evaluate board performance based on clear and relevant objectives, seeking continuous improvement*

- The Group has established separate Remuneration and Audit Committees through which the Non-Executive Directors are able to monitor and assess the performance of the Executive Directors and to hold them to account.
- The respective Board members periodically review and cross-evaluate the Board's performance and effectiveness in the Company. Each member of the Board is subject to an annual fitness and suitability assessment overseen by the Group's, Human Resources department. In due course, the scope of this assessment will be enhanced to focus more closely on objectives and targets for improving performance.
- Directors' performance is open to assessment by shareholders and all Directors are subject to re-election by the shareholders at least once every three years.

***Principle 8:***

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

- The Company's ethos is, to act at all times with honour, dependability and vigilance. The Board also actively promotes a culture in which the client is placed at the centre of everything that the Company does.
- The Board places great emphasis on the wellbeing of the Company's employees and on providing a safe and secure environment for them. The Company's Employee Handbook provides a guideline for employees on the day-to-day operations of the Company.
- The Company is similarly committed to a transparent, flexible and open culture promoting family values and avoiding discrimination on the basis of gender, religious belief, age, ethnicity or sexual orientation.
- The Company is mindful of the need for, and is committed to, environmental responsibility and sustainability.

***Principle 9:***

***Maintain governance structures and processes that are fit for purpose and support good decision-making by the board***

- Good decision making requires information, consideration, discussion, and challenge followed by action, communication and the acceptance of collective responsibility. This is accomplished through the employment of Directors who have the confidence to express their views, through the prior circulation of briefing papers allowing adequate time for their proper consideration ahead of meetings. Board meetings are openly conducted, with the accurate minuting of outcomes and the wider communication of those outcomes as appropriate.
- Operational effectiveness and decision making has been improved with the creation of a data warehouse collating data from the Company's numerous systems, logs and spreadsheets to facilitate the automated production of management information.
- The avoidance of conflicts of interest, through the delegation of responsibility for certain areas to specialist committees, such as audit and remuneration, has strengthened the governance structure within the Company.
- The Company's auditors are rotated on a periodic basis to ensure that the Company and the Board are subjected to an appropriate level of independent scrutiny and challenge.

***Principle 10:***

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

- Information on the Company's commercial progress and its financial performance is disseminated to shareholders and to the market through the announcement of its full-year and half-year results, the posting of such announcements onto the Company's website in a timely manner and by mailing copies of the Annual Report and Accounts to shareholders. These are also made available for discussion with shareholders at the Company's AGM.
- Departmental heads liaise regularly and meet formally on a monthly basis to share and review information on the Company's progress and to discuss progress within their specific areas of responsibility.
- Other members of staff are briefed informally on an ad-hoc basis via the Tavistock intranet and formally through emails from the Chief Executive and other senior management as appropriate. In addition, as a series of presentations are delivered at the Annual Company Day. On-line meetings are used whenever practical to replace physical ones thereby reducing the level of unnecessary business travel.

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#### BOARD OF DIRECTORS AND BOARD COMMITTEES

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Board is also responsible for ensuring a healthy corporate culture. The Board currently comprises three Executive Directors and two Non-Executive Directors.

The Executive Directors are:

Oliver Cooke	Chairman
Brian Raven	Chief Executive Officer
Johanna Rager	Group Finance & Operations Director

The Non-Executive Directors are:

Roderic Rennison  
Peter Dornan

The Non-Executive Directors have a strong compliance background and are considered to be independent. All Directors are required to stand for re-election at least once in every three years.

All members of the Board are equally responsible for the management and proper stewardship of the Group. The Non-Executive Directors are independent of management and free from any business or other relationship with the Company or Group and are thus able to bring independent judgement to issues brought before the Board.

The Board meets at least ten times per year and more frequently where necessary to approve specific decisions. In the year under review the Board met 15 times with no apologies for absence being recorded. Directors are free to take independent professional advice as they consider appropriate at the Company's expense.

The Board has established two Committees with clearly defined terms of reference and detailed below are the members of the Committees and their duties and responsibilities.

#### Audit Committee

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. It receives reports from the Group's management, the Company's Risk Committee and the Company's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The members of the Audit Committee are as follows:

Peter Dornan	(Non-Executive Director)	Committee Chairman
Roderic Rennison	(Non-Executive Director)	
Oliver Cooke	(Chairman)	

The Committee approves the appointment and determines the terms of engagement of the Company's auditors and, in consultation with the auditors, the scope of the audit. The Audit Committee has unrestricted access to the Company's auditors.

During the year under review the Audit Committee met twice and all members of the Committee were in attendance.

#### Remuneration Committee

The Remuneration Committee is comprised of the two Non-Executive Directors, Roderic Rennison and Peter Dornan, and is chaired by Roderic Rennison.

The Remuneration Committee reviews the performance of the Executive Directors and approves any proposed changes to their remuneration packages, terms of employment and participation in share option schemes and other incentive schemes.

No Director may vote in connection with any discussions regarding their own remuneration.

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**Remuneration Committee (continued)**

For the year under review, three Remuneration Committee meetings were held, and both members of the Committee were in attendance.

**Nomination Committee**

The Directors do not consider it necessary, or appropriate, at present to establish a Nomination Committee given the size of the Company. This will be kept under review as the Company develops.