

Numis

Corporate Governance Report & Statement of Compliance 2020

Introduction from the Chairman

Numis seeks to deliver growth in the medium to long-term to enhance shareholder value and this we believe is achieved through having an effective governance framework, an efficient and dynamic management organisation combined with good communication which helps to promote confidence and trust with shareholders, stakeholders and staff. Numis recognises its responsibility to create sustainable growth and shareholder value, whilst also reducing or mitigating risk. Our guiding principles of partnership, integrity, excellence in performance and conduct, quality and ethical behaviours to do the right thing are aligned with the risk profile of the business. Numis has developed a corporate governance policy with two perspectives in mind (i) a rule based approach and (ii) a spirit-based approach. The corporate governance framework which Numis operates, is proportional to the size, risks and complexity and operations of the business and reflective of the Group's values. To achieve these goals the Board remains committed to continue to develop best practices throughout the business, lead by example, setting standards for behaviours and conduct expected by all staff in their actions within the business and in dealings with clients and stakeholders.

Alan Carruthers

Non-Executive Chairman

Compliance with the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies 2018), (the "QCA Code")

The Board of Directors has applied the QCA Code since September 2018 having considered the principles of good governance and standards of good practice in relation to Board leadership and effectiveness, corporate culture based on ethical values and behaviours, remuneration, accountability and its relations and communication with shareholders/stakeholders. The Board continues to support the QCA Code's corporate governance principles and believes they provide a mechanism that is both sufficiently robust to add real value for Numis as well as flexibility to reflect the different governance needs and abilities of a quoted business like Numis. The Board believes that it complies with all of the principles of the QCA Code.

The following report sets out how Numis has measured ourselves against these principles in terms of the rules and spirit of good Corporate Governance.

A copy of the QCA Code is available from the [QCA website](#)

Numis

Governance Structure & Strategy

QCA 10 Principles of Corporate Governance

Companies need to deliver growth in long-term shareholder value. This requires an efficient, effective and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust.

DELIVER GROWTH

1. Establish a strategy and business model which promote long-term value for shareholders (disclosure see [pages 10 to 15](#) of the Annual Report 2019)
2. Seek to understand and meet shareholder needs and expectations (disclosure see [pages 16 to 37](#) of the Annual Report 2019)
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success (disclosure see [pages 22 to 25](#) of the Annual Report 2019)
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation (disclosure see [pages 30 to 37](#) and [44 to 51](#) the Annual Report 2019)

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

5. Maintain the Board as a well-functioning, balanced team led by the Chairman (disclosure see [pages 44 to 48](#) of the Annual Report 2019)
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities (disclosure see [pages 40 to 41](#) of the Annual Report 2019)
7. Evaluate Board performance based on clear and relevant objectives, seek continuous improvement (disclosure see [pages 49 to 51](#) of the Annual Report 2019)
8. Promote a corporate culture that is based on ethical values and behaviours (disclosure see [pages 44 to 46](#) of the Annual Report 2019)
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board (disclosure see [pages 44 to 51](#) of the Annual Report 2019)

BUILD TRUST

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders (disclosure see [pages 24, 51 and 54](#) of the Annual Report 2019)

- **Strategy**

Numis places the client and shareholders at the heart of our business to build long-term trusted relationships founded on integrity, trust and mutual ambitions. Numis executes its strategy through an integrated business model, where we harness the combined expertise of the firm to the benefit of our clients. Our first class staff, in whom Numis' values, culture and conduct [are expressed], are

Numis

focused on growing and developing the business. Numis' operating model, whilst being open to diversification into new business lines that compliment and/or are closely aligned to Numis' core business, remains cognisant that robust risk management is embedded into our culture and conduct. Critical to sustaining success and achieving our medium and long term ambitions is investment in high quality people. Through selective recruitment and internal development initiatives, Numis will continue to seek to advance the quality of service it provides to all our clients.

Numis' strategy is embedded in a focus to concentrate on markets where we have a competitive advantage and where we have the opportunity to make a tangible difference. By placing our clients' interest first and delivering exceptional client service in the provision of high quality research combined with powerful international distribution, expert advisory and broking services delivered by highly talented and skilled professionals, Numis seeks to deliver a strategy that benefits clients, shareholders and staff. Maintaining a rigorous and disciplined approach to our operational effectiveness and management of risk, through robust processes, systems and controls which are embedded in our culture and working practices, is key to achieving success in delivering shareholder value. Numis encourages an entrepreneurial, creative and dynamic commercial culture that is focused on generating value and the Board ensure that all relevant risk exposures are managed and mitigated.

Further information on Numis' strategy and how Numis mitigates the key risks to which the business is exposed are set out in our 2019 Annual Report (pages 30 – 37).

- **Leadership**

Strong leadership is key to Numis' success and the ability to collaborate, delegate, inspire and communicate effectively combined with a passion for the business to be innovative and entrepreneurial has developed a talented Executive Board who are passionate in their mission to lead and promote a corporate culture where staff and clients are proud. The Board recognise that the Group's employees are its greatest asset and, ultimately, are the key factor in determining the long-term success of the business. A healthy corporate culture both protects and generates value. The Board actively promotes a corporate culture that embodies trust, honesty and integrity in its behaviours and is cognisant of its responsibility to ensure these values are embedded in the fabric of the business through the behaviours of its staff and its relations with stakeholders.

Numis has focused on better articulating its values and culture over the past year and in doing so has re-defined its core values. The values are partnership, excellence, dynamism and creativity being at the heart of our culture. Numis staff have contributed significantly to developing and articulating these values and therefore understand the associated behaviours that are expected in order to act as culture carriers for the firm. The Board believes that the collaboration of staff in re-defining of our corporate values demonstrates Numis' ability to think creatively and innovatively and reflects how we consider, behave and approach all interactions, both internally and externally with clients, staff and stakeholders. This consensus of our values and culture provides a collaborative inclusive and supportive working environment which creates value for clients and stakeholders. The Board is responsible to the shareholders for the management of the Company and meets formally seven times a year and on an ad-hoc basis as required. The formal meetings are scheduled in advance at the start of the financial year and a formal agenda of matters for discussion is circulated in advance of each meeting. This agenda includes reviewing financial performance, assessing and reviewing the

Numis

Group's strategy in the context of a broader market outlook, future forecasting, an update on investor relations and an update on any regulatory or compliance matters. All key operational and investment decisions are subject to Board approval. The Board provides overall strategic direction to the executive management by monitoring the operating and financial results against budgets and targets; reviewing the performance of management; assessing the adequacy of risk management systems; and, monitoring their application.

Composition of Board and Committees of the Board 2019

	Role	Board		Committee				
	At 30 September 2019 or retirement	Maximum possible attendance	Meetings attended	Nominations Committee	Audit Committee	Risk Committee	Remuneration Committee	Considered Independent
Alan Carruthers	Chairman (Non-Executive)	7	7	***✓				✓
Alex Ham	Co-Chief Executive Officer	7	7					
Ross Mitchinson	Co-Chief Executive Officer	7	7					
Andrew Holloway	Chief Financial Officer	7	7					
Luke Savage*	Non-Executive Director	5	5		***✓	***✓	✓	✓
Geoffrey Vero**	Non-Executive Director	2	2	✓	****✓		✓	✓
Robert Sutton	Non-Executive Director	7	7	✓	✓	✓	***✓	✓
Catherine James	Non-Executive Director	7	6	✓	✓	✓	✓	✓

* Luke Savage (Non-Executive Director and Chairman of the Audit Committee and Risk Committee) appointed 5 February 2019.

** Geoffrey Vero (Non-Executive Director and Chairman of the Audit & Risk Committee) retired 5 February 2019.

*** Chairman.

**** Chairman part of the year.

- **Composition of the Board**

The Board comprises 4 independent Non-Executive Directors, Alan Carruthers (Non-Executive Chairman), Catherine James, Robert Sutton and Luke Savage. The Non-Executive Directors provide a minimum time commitment of between 15 – 20 days per annum to the business.

The Executive Directors of the Board (each a full time employee) comprise, Alex Ham and Ross Mitchinson, the Co-CEO's (sharing the role of Chief Executive Officer) and Andrew Holloway, the Chief Financial Officer (CFO). The Executive and Non-Executive Directors are collectively responsible for promoting the long-term success of the Group and setting and executing Numis' business strategy. The respective roles of Executive and Non-Executive Directors is strictly delineated.

The Company embraces diversity and is dedicated to encouraging inclusion. The Board membership comprises of individuals who have a wide range of diverse experience and skills and each bring a unique perspective to debate at Board level.

The Executive Directors have responsibility for the business operations of the Group and are responsible for implementing the strategy of the Board and managing the day-to-day business activities of the Company. The Non-Executive Directors are responsible for bringing independent judgement to Board decisions and add perspectives beyond the day-to-day operations.

The role of the Chairman is to lead and oversee the Board, ensuring that the Board's decision making is balanced, effective and is composed of the right mix of skills and experience. The Chairman is also responsible for promoting a culture of constructive challenge, openness and scrutiny.

Numis

The Co-CEOs are responsible for the executive management of the Group and its business on a day-to-day basis. This includes making recommendations to the Board in respect of strategy.

The Board is authorised to manage the business of the Company on behalf of the shareholders and in accordance with the Company's Articles of Association. This is achieved through its own decision making and by delegating responsibilities to the Board Committees and authority to manage the business to the Co-CEOs.

The Board is satisfied that each of the directors is able to allocate sufficient time to the Company to discharge their responsibilities effectively. All directors receive regular updates and training on legal, regulatory and governance issues. External advisors and legal counsel present to the Board regularly on thematic topics, providing training that is relevant to the business and to keep them abreast with developments of governance and AIM regulations. All directors have access to the Company's NOMAD, company secretary, lawyers and auditors (internal and external) and are able to obtain independent advice from other external professionals as and when required. Internal and external training and development programmes have been designed and tailored to the specific requirements of the directors to enhance their existing skills and are periodically revised to ensure training remains current and relevant. In addition, there are regular 'deep dives' from across the business at Board and Committee level to ensure the directors' understanding of the operational aspects and challenges faced by the business are current.

Biographical details, skills and experience of each Director can be found [here](#).

- **Role of the Board**

All Directors of the Board are required to attend each of the scheduled Board and Committee meetings and to devote sufficient time to the Company's affairs to fulfil their responsibilities and duties as statutory directors. All Directors are properly briefed to enable them to discharge their duties, via regular update calls, the provision of detailed management accounts, Board papers and Board packs which are distributed several days in advance of formal scheduled meetings. There were 7 formal scheduled director meetings of the Board convened in 2019. Each meeting had a planned agenda of business for consideration/discussion.

Non-Executive Director also attend, by invitation and on a rotational basis, the Board meetings of the main trading entity, Numis Securities Limited. There were 9 formal director meetings of the trading entity, Numis Securities Limited during the financial year and 7 of those meetings had a Non-Executive Director in attendance. By attending these meetings, Non-Executives gain valuable insight to the workings of the subsidiary Board and an understanding of the day-day business and operational challenges faced by the Executives.

There are certain matters which are reserved for the Board as a whole to consider. A copy of the Matters Reserved for the Board is available [here](#). The Terms of Reference are reviewed and updated on a periodic basis.

Matters routinely discussed at the PLC Board meetings include:

- The Group's strategy and associated risks
- Acquisitions, disposals and other material transactions

Numis

- Financial performance of the business and approval of annual budgets, the half year results, annual report and accounts and dividends
- Appointments to and removal from the Board and Committees of the Board
- Risk management strategy and risk appetite
- Remuneration policy
- Evaluation of its performance and that of its Committees
- Communication with shareholders
- Actual or potential conflicts of interest relating to any Director
- Changes relating to the Group's capital structure

Board Meetings and Process

Start of the Year

- A yearly planner is prepared by the Company Secretary to map out the flow of key items of business to the Board
- Board venues are agreed and invitations to present at formal Board meetings by senior management and operational staff are circulated. External professionals are also invited to present on topical regulatory or thematic points of interest as and when required

Agenda

- The Chairman holds meetings to review the draft agenda and planner with the Company Secretary and CFO, as well as meeting with a wider group of senior management to identify emerging issues
- The draft Board agenda is discussed between the Chairman and Co-CEOs
- Additional items may be added to the agenda in response to external events, internal business driven operational events, Non-Executive Director requests and regulatory initiatives

Board Papers and Distribution

- Board papers presented to the Board for discussion adhere to a in-house format to ensure consistency and high quality information
- Board packs are uploaded and communicated to all Directors via a secure electronic portal typically 4-5 days in advance of each meeting, to ensure sufficient time to review the matters which are to be discussed and seek clarification or any additional information

Before the Meeting

- Executive meetings are held ahead of all Board and Committee meetings to ensure that the matters under discussion have been through an appropriate discussion and escalation process

Numis

- Committee meetings are mostly held prior to Board meetings. The Chairman of each Committee delivers a formal report on the matters discussed to the Board
- Board Meeting Board meetings have a number of standing business items which include a report from each of the Co-CEOs, CFO on Group performance, from the HR Director and head of Legal, Risk & Compliance. Additionally, reports from the Chairman of Committees and principal subsidiaries are delivered
- Topics for deep dives or additional items are discussed when required and include business, governance and regulatory updates
- The Board makes use of technology with teleconferencing, a Board portal and tablets/devices at its meetings

After the Meeting

- Minutes and matters arising from the meeting are produced and circulated to the Chairman and Directors for review and feedback. An action list is created and those responsible for matters arising are asked to provide updates on a timely basis

- **Board Independence**

Numis considers there to be sufficient independence of the Board and that all the Non-Executive Directors are of sufficient competence and calibre to add strength, objectivity and constructive challenge to the Board, bringing considerable experience in terms of their respective knowledge and expertise. Where necessary, the Company facilitates that Non-Executive Directors obtain specialist external advice from appropriate advisers

- **Committees of the Board**

The Board has a broad range of skills and capabilities required to direct the Group and has delegated some of the responsibilities to its Audit Committee, Risk Committee, Remuneration Committee and Nominations Committee. Each Committee has appropriate Terms of Reference which have been approved by the Board and which can be found under the respective headings of each committee in this document.

- **Audit Committee and Risk Committee**

The Board decided to split the function of its Audit & Risk Committee since circulation of the 2018 Annual Report into separate independent committees of the Board. The main purpose being, to enhance the focus of reporting and accountability around key risks of the business so that appropriate time, energy and resource is devoted to the business' key risk exposures, risk strategies and risk mitigants, as well as considering routine audit matters.

Luke Savage is the independent Chairman of each of those committees, (the Audit Committee and the Risk Committee, appointed on 5 February 2019) and the members of each Committee comprise, Catherine James and Robert Sutton, each of whom is an independent Non-executive Director. Each Committee is scheduled to meet 4 times a year and is responsible for the relationship with the Group's external and internal auditors, the review of the Group's financial reporting, monitoring the quality of internal controls and risk management systems and processes and ensuring that the financial performance of the Group is properly measured and reported on. Both internal and

Numis

external audit team representation are invited to attend every meeting of each separate committee. Other members of the Board (including the Chairman), CFO, Co-CEOs, are invited to attend the meetings as well as the Head of Legal, Risk and Compliance, the Head of Compliance and the Head of Financial Risk. Additionally, representatives from other business sections are invited to the meetings to provide further insight on key areas or risk and risk mitigation, processes and controls to further develop the Committees understanding of the business risks framework.

- **The Audit Committee**

The Audit Committee (the “Committee”) is an independent Committee of the Board of Directors responsible for the overall financial reporting of the Company and the Group. It receives reports from the Group’s management relating to the Group’s risk exposures and mitigating controls as well as detailed findings arising from internal and external audit reviews. The Committee delivers a report on its activities to the Board at each formal Group meeting, appraising the Board on issues discussed with focus on the effectiveness of the internal controls and their operation, as well as issues of risk management and mitigating actions. Additionally, the Committee reports on the Group’s full and half year results, having examined the accounting policies on which they are based and ensured compliance with relevant accounting standards. In addition, it reviews the scope of internal and external audit, their effectiveness, independence and objectivity taking into account relevant regulatory and professional requirements. The Committee has direct and unrestricted access to the internal and external audit function.

- **The Risk Committee**

The Risk Committee (the “Committee”) is an independent Committee of the Board of Directors that has, responsibility for the risk framework, internal control environment and for assessing the appropriateness of the risks that the Group proposes to take in executing its strategy. The Committee makes recommendations to the Board as to risk appetite and tolerance, taking account of the current and prospective macroeconomic and financial environment, drawing on financial stability assessments. Additionally, the Committee considers Numis’ risk management policies, operations and oversight of the business’ risk management framework and will assist the Board in fulfilling its oversight responsibilities with regard to the risk appetite of the business, the risk management and compliance framework and the governance structure that supports it.

The Audit Committee and the Risk Committee Report can be found on pages 55 – 59 of the 2019 Annual Report.

A copy of the Terms of Reference of the Audit Committee is available [here](#).

A copy of the Terms of Reference of the Risk Committee is available [here](#).

A copy of the Internal Audit Charter of KPMG is available [here](#)

- **Remuneration Committee**

The Remuneration Committee (“the Committee”) comprises of three Non-Executive Directors, Robert Sutton (Chairman of the Committee), Catherine James and Luke Savage. The Remuneration Committee is scheduled to meet 4 times a year. Other members of the Board, in particular, the Chairman, the Co-CEOs, CFO and the Head of Human Resources may attend by invitation. The

Numis

Committee's primary responsibility is to review salary levels, discretionary variable remuneration and the terms and conditions of service of the Executive Directors. The Remuneration Committee also reviews the compensation decisions made in respect of all other senior executives and those members of staff who are designated as Code Staff under the FCA's Remuneration Code regulations.

The Committee is responsible for determining the overarching Remuneration Policy applied by the Group, including the quantum of variable remuneration and the method of delivery, taking into account relevant regulatory and corporate governance developments. The Remuneration Committee is authorised to seek any information it requires in order to perform its duties and obtain external legal or other professional advice that it considers necessary from time to time.

A copy of the Remuneration Committee's Report delivered in our Annual Report of 2019 can be found on page 60 of the 2019 Annual Report.

A copy of the Terms of Reference of the Remuneration Committee is available [here](#).

- **Nominations Committee**

The Nominations Committee ("the Committee") comprises Alan Carruthers (Chairman), Luke Savage, Robert Sutton and Catherine James who are all independent Non-executive Directors. Other members of the Board and the Head of Human Resources may attend by invitation. The Committee considers appointments to the Board and to the subsidiary Board and meets as necessary to consider wider succession initiatives and succession planning across the business. The Committee is responsible for identifying and nominating candidates, for making recommendations on Board composition and for considering succession planning requirements to ensure that the requisite skills and expertise are available to the Board to address future challenges, opportunities and strategy objectives of the business.

A copy of the Terms of Reference of the Nominations Committee is available [here](#).

- **Development and Support**

On joining the Board, new members receive a comprehensive induction, involving meetings with senior employees and the external advisors. Individual training needs are identified as part of the annual Board evaluation process and training is provided as required. All Directors receive regular updates on legal, regulatory and governance issues. There is a regular flow of information to the Board to keep Directors up to date with the business. Both the Board and each Committee of the Board has access to independent advice at the Company's expense.

Board Evaluation

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

Good governance is an essential factor in running a successful company. It builds upon strong foundations of legal and regulatory compliance by adding robust accountability, transparency and ethical behaviours. Numis takes governance seriously and in supporting the continuous improvement of its Board to lead the company in delivering its objectives, Numis' Board is

Numis

committed to learning and improving and undertakes a regular Board Evaluation process as part of its commitment to achieving these goals.

The Non-Executive Chairman of the Board undertakes the formal internal annual evaluation process of the Board and of its own performance and that of its Committees. The evaluation process includes a written questionnaire and confidential one-to-one interviews between the Chairman and each Director. The review assesses the effectiveness of all aspects of the Board and of its Committees and includes composition, experience, dynamics, the Chairman's leadership, and the Board's role and responsibilities in connection with strategy, oversight of risk and succession planning. Directors are encouraged to provide feedback on their individual performance as well as on the other members of the Board and on their individual effectiveness. The formal evaluation process takes place annually and is supported by regular contact between the Chairman and each Director to allow any matters to be addressed on a timely basis.

The Chairman is responsible for assessing the feedback and reporting his findings to the Board. The outcomes and principal findings are discussed with the Board at a formal meeting and where appropriate, an action list of objectives, targets and aspirations for the coming year is collated in order that the Board can measure its effectiveness in achieving those targets throughout the year. The performance of each Co-CEO is appraised annually by the Chairman and the performance of the Executive Director (CFO) is appraised annually by the Co-CEOs.

The Board went through a period of significant change during 2016/2017 following review and evaluation of its composition and structure. The Board is satisfied that the existing composition gives an appropriate balance of Executives and Non-Executive Directors. Each Director brings different skills, experience and knowledge to the Company, with Non-Executive Directors bringing additional independent thought, judgement and challenge. Succession planning to ensure the business has the appropriate balance of skill and expertise in order to carry out the strategy of the business will remain a focus during the evaluation process.

- **Board Effectiveness**

Luke Savage was appointed to the Board as a Non-Executive Director as part of the succession planning and following the retirement of Geoffrey Vero, Non-Executive Director. Luke was appointed to the Board following a rigorous recruitment process and was appointed Chairman of the Audit Committee and of the Risk Committee. Luke's suitability, credentials and financial services experience for the role, have enhanced the Board's overall skill set. Following Luke's appointment and a review and evaluation of the business' risk profile, the duties of the Audit & Risk Committee have been separated in order that each area of the business has a deeper level of focus. This focus has enabled each Committee to operate in a more constructive and risk based approach facilitating more challenge and differing viewpoints of the business of the Group to be considered.

Following the 2018 Board Evaluation, each Director of the business, including the Co-CEOs and Chairman's performance has been internally reviewed and evaluated. The results of this process were reported to the Board which concluded that the Board and its Committees continue to operate in a constructive and dynamic way, which is collaborative and effective, demonstrating a passion for the business which is innovative and entrepreneurial.

Numis

Some of the main themes and recommendations resulting from the 2018 Board Evaluation include, but are not limited to the following:-

- Continued focus on strategy delivery/plan target implementation
- Regular presentations by senior staff and heads of department to the PLC Board
- Greater focus on succession planning (for senior and mid- level employees)
- Employee engagement process/reporting

The Board has continued throughout the year to measure progress against the recommendations resulting from the 2018 Board Evaluations and will continue to assess its effectiveness in implementing new processes to achieve the desired targets. In particular, recent Board evaluation process, feedback was expressed regarding increased employee engagement and the potential introduction of 'skip-level' meetings. There was a collective view that a schedule of such meetings would facilitate greater depth of knowledge of the business and meetings with senior staff outside of the statutory Board members was organised. This initiative has provided opportunity for the PLC Board to challenge and understand culture throughout the business, promote possible succession planning discussions, and assess execution of strategic plans.

In parallel, corporate governance requirements relating to employee engagement are being introduced which Numis will be required to comply with in respect of our financial year ending September 2020 requiring disclosures on the matter to be included in the Annual Report.

In readiness for this additional disclosure, Numis is proud to have implemented this year a schedule of formal employee engagement meetings with Catherine James, Non-Executive Director. Employees from a variety of departments, seniority and tenure across the business have been identified. A wide range of topics have been discussed, ranging from culture, succession, wellbeing to Group strategy implementation. The range of different perspectives has provided the Board with additional valuable insight on Numis' culture and the challenges faced by the business.

External evaluation of the Board's performance has not been conducted to date, given the size and stage of development of the business, but is being considered as the business grows. However, the Chairman continues to assess the individual contribution of each of the members of the Board to ensure that their contribution is relevant and effective; that each director remains committed and aligned to the business strategy and its corporate values and, where relevant, that they maintain their independence.

BUILD TRUST

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

- **Relations with Shareholders and other Stakeholders**

Numis is proud of our approach to communications with our shareholders as we recognise the value in positive shareholder engagement. Both Co-CEOs and the CFO meet with major shareholders at

Numis

least twice a year at the time of announcing the Group's interim and full year results. During these meetings, shareholders views on the performance of the Group are understood and acted on as appropriate, ensuring any such actions are in the interests of all shareholders. The Annual Report & Accounts, Interim Report and RNS announcements on key business developments are the main way the Board communicates with its investor base. As a direct result of shareholder engagement Numis has expanded the detail of the Remuneration Committee Report which we believe provides increased transparency of Numis' remuneration policy and philosophy around compensation.

Additionally, engaging with our stakeholders strengthens our relationships and helps us make improved business decisions. The Board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business. Numis' employees are one of our most important stakeholder groups and the Board therefore closely monitors and reviews the results of the Company's Employee Engagement surveys as well as a number of any other feedback it receives to ensure alignment of interests.

Inclusion and diversity is at the very core of our culture at Numis. The success of the business, our ability to serve our clients and maximise return for our shareholders lies within the strength of our people who reflect the values and conduct we as business promote. Numis is committed to developing an environment which promotes equality of opportunity, values diversity, supports differences and that encourages input from all perspectives. Operating effectively in a complex global economy, our clients rely on us to drive innovation and creative solutions. Numis' ability to deliver on these talents is strengthened by embracing the skills of different cultures, the pursuit for excellence in our commitment to hiring the best people from a diverse talent pool, who collectively form our high-performance teams that are both cognitively and demographically diverse.

Numis' recruitment strategy and efforts are purposefully designed to impede unconscious biases and ensure a fair selection process.

Additionally, Numis is proud to have launched Women@Numis quarterly gatherings. These meetings focus on the female population of Numis and provide a forum/voice for women to share learnings, personal insights, challenges, topics and themes that form part of the agenda to drive and build connectivity around the group and awareness of the different roles that each undertake across the business. This initiative builds on Numis' inclusion and diversity programme as it relates to gender and is aimed at creating a forum to encourage collaboration, mentoring, support and the sharing of ideas and opinions to promote women at Numis and their representation at all levels of the business.

Our website is kept up to date with information to help our investors keep in touch and understand our business and we have found our shareholder roadshows to discuss our results to be a popular and effective way for us to meet with shareholders and develop our understanding of their needs and expectations. The Company encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The AGM is a key opportunity for the Board to engage with shareholders to answer questions and is the main forum for dialogue with private shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 clear days before the meeting. The Chairman of the Board and all Committees, together with all Executive Directors, routinely attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the

Numis

meeting. The results of the AGM are subsequently released to the market and are published on the Company's corporate website.

The Directors actively seek to build a relationship with Institutional shareholders. Shareholder relations are managed primarily by the Co-CEOs and CFO. The Co-CEOs and CFO deliver presentations to institutional shareholders and analysts each year immediately following the release of the full-year and half-year results. In addition, over the summer of 2019 the Co-CEOs and CFO visited the top 20 shareholders in order to listen to their feedback and have a direct conversation on any areas of concern. The Board as a whole is kept informed of the views and concerns of major shareholders by briefings from the Co-CEOs. Any significant investment reports from analysts are also circulated to the Board. The Non-Executive Chairman is available to meet with major shareholders.

Numis shareholders can contact our Investor Relations team who will respond on a timely manner to questions at Investor_Relations@numis.com

- **Social Responsibilities**

The Board recognises that it should take account of the needs of society, its community and the environment and maintain high ethical standards. The extent to which these principles have been formalised is appropriate to the size of the organisation and these are documented in both the staff handbook and compliance manual. Numis is committed to its staff welfare, respecting the environment and treating its clients fairly. The Board meets with senior executives and heads of department on a regular basis and through the reporting structures receives information on clients, customers and supplier relationships. Appropriate steps have been taken in relation to the Anti-bribery Act and Modern Slavery Act and a statement is available on Numis' website. Our zero tolerance approach to modern slavery is communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter. We expect all our staff to have read and beware of this statement. Numis also has a Whistleblowing Policy. A copy of Numis' Anti-bribery Act and Modern Slavery Act statements can be found [here](#).

Numis is proud to report that it has implemented processes to manage environmental risks so as to reduce, reuse and recycle, wherever possible, waste materials within its place of business and is committed to supporting these initiatives. Additionally, Numis has through collective agreement with staff chosen to support as its 2019 charitable cause, the Charlie Waller Memorial Trust. This charity was set up in 1997 in memory of Charlie Waller, a young man who took his own life whilst suffering from depression. This charity raises awareness of depression and provides training to schools, primary care staff and employers, encouraging those who may be depressed to seek help. Numis is passionate and proud to support this chosen charity which supports vulnerable people. Numis will continue to focus on these important areas of responsibility and seek to drive initiatives which have a beneficial impact on our communities and the environment.

Employee Engagement

Numis has this year appointed Catherine James, Non-Executive Director, as the champion to lead formal employee engagement sessions with a selection of Numis staff from across the business to better understand and ensure staff views are aligned with the culture and strategy of the business.

Numis

Numis conducted internal staff surveys in the years 2017 and 2018 and is pleased to report that the new engagement initiative mostly reflects the analysis that resulted from those surveys and which was shared with the Board and staff. Staff overwhelmingly supported the initiatives that have been introduced to enhance their working environment and which collectively promotes wellbeing and opportunities to achieve and deliver improved performance and personal goals.

Numis' philosophy supports personal resilience, wellbeing, inclusion and diversity and staff have been vocal in requesting speakers on a series of topics that have instilled confidence and courage in tackling at times, sensitive issues. Learning and sharing of experiences on a number of key themes around these important factors and providing tangible tips and hints on a number of issues helps to reinforce an open culture of mutual respect.

Additionally, Numis recently announced that we have entered into a lease for new office space which we intend to relocate during the second half of 2021. Numis' commitment to understanding employees' satisfaction with our current workplace and identifying the key areas for us to address in our new office, we partnered with Gartner Real Estate in a survey initiative. The survey helped us understand how we can improve the workplace to better meet employee needs ahead of our proposed move. An Office Move Committee has been established where a selection of staff from all levels from across the business have volunteered and provide valuable feedback. Numis is in the process of assessing the feedback and analysis, to ensure that the impact on our employees and on our new environment is suitable to sustain a high performance and happy work place.

May 2020