

Corporate governance statement

Statement by the Chairman on Corporate Governance

As a Company listed on the AIM market of the London Stock Exchange, RTC Group Plc has chosen to comply with the Quoted Companies Alliance Corporate Governance Code "the Code". This report describes how the Group has complied with the Code and explains any departures from the principles within the Code.

A description of the Board and its committees, together with the Group's systems of internal financial control is set out below.

The Board

The Board comprises the executive chairman and chief executive and the group finance director. At the time of writing the Board is in the process of recruiting a new independent non-executive director.

The executive chairman and chief executive and the group finance director are engaged full-time, and any independent non-executive Director will be required to spend two days per month considering Company matters and attending the monthly Board meeting.

The Group believes that in the Board it has at its disposal, there is an appropriate range of skills and experience to ensure the interests of all stakeholders in the Group are fully accommodated, as demonstrated by the following biographies. The Board keep their skill sets up to date through a combination of membership of professional bodies and the associated continuing professional development that must be undertaken to maintain that; executive development training and extensive reading on economic and business matters. The relevant experience of each Board member is detailed below:

A M Pendlebury, Executive Chairman and Chief Executive

Andy held several senior management positions during his long career with British Aerospace Plc. In 1992 he joined the board of Wynnwith Engineering and was appointed Managing Director in 1995 establishing the business as one of the United Kingdom's fastest growing recruitment businesses. In 2002 Andy joined GKN Plc as interim Managing Director of the Company's in-house recruitment business Engage and guided it through the board's divestment strategy. From 2004 to 2007, as Chief Executive, he engineered a trading turnaround and subsequent sale to the Morson Group of White & Nunn Holdings. He joined the Board of RTC Group Plc as a Non-Executive in July 2007, becoming Chief Executive in October 2007, and following the sudden death of the previous Executive Chairman, he was appointed as Executive Chairman in addition to his role as Chief Executive in August 2023.

S L Dye, Group Finance Director

Sarah is a Chartered Accountant who has worked in both the public and private sectors in the UK and overseas. Sarah qualified with BDO LLP before moving to The Post Office Plc and then The Boots Company Plc gaining experience in risk management, internal audit, and commercial finance. In 1998, Sarah joined Allied Domecq Plc as Finance and Planning Manager for Europe. In 2004 Sarah joined Nottingham Trent University where she held several senior finance positions. Sarah spent 5 years in New Zealand with the Office of the Auditor-General, working with central and local government entities and the tertiary sector. In 2011 Sarah joined Staffline Group Plc as Group Financial Controller. Sarah was appointed Group Finance Director of RTC Group in February 2013.

Independent Non-Executive Director

The Board is currently engaged in the search for an independent non-executive director.

Board matters

The Board has a schedule of matters specifically reserved for its decision. It is responsible for formulating the Group's corporate strategy, monitoring financial performance, acquisitions, approval of major capital expenditure, treasury, and risk management policies.

Board papers are sent out to all directors in advance of each Board meeting including management accounts and accompanying reports from the executive directors. Annual budgets are approved by the Board. Operational control is delegated by the Board to the executive directors.

The Company Secretary acts as the conduit for all governance related matters and shareholder enquiries and passes them to the Chairman to respond.

Corporate culture

The Board is responsible for ensuring that the corporate culture is consistent with the Company's objectives, strategy and business model as set out in the strategic report. The Board achieves this by ensuring that appropriate policies on behaviour and ethics are in place and signed up to by all employees. Performance is

appraised considering not just the achievement of objectives, but the behaviours demonstrated to do so. All managers and the Board lead by example in their behaviour and ethical values demonstrated. The managing directors of each subsidiary present to the Board at least annually on their subsidiary's performance and cultural matters. Periodically employee satisfaction surveys are undertaken to help inform management of the environment employees perceive they are working in.

Board performance

The performance of the Board is measured by the earnings per share. This measure is externally reported twice yearly on the publication of the interim statement and the annual report. The Executive Director's performance is also measured in relation to the achievement of specific operational and strategic objectives that support the key performance indicators which are presented in the annual report and the level of profit delivered. A significant proportion of Executive Director awards are in the form of profit related pay and performance related options.

Succession planning

The Board believes it is healthy to periodically refresh Board membership and that responsibilities within the Board should change from time to time. The Board has a succession plan in place which include the identification, training and mentoring of existing Board members to take on new responsibilities and for potential future Board members to step up. The Board also seeks the input of the independent non-executive Director.

Company secretary

All directors have access to the advice of the Company Secretary and the Independent Director and can take external independent advice on certain matters, if necessary, at the Company's expense.

Board Committees

The Board has established two specialist committees (the remuneration committee and the audit committee (the separate audit committee report can be found in the latest annual report)).

The remuneration committee is responsible for determining the contract terms, remuneration and other benefits for executive directors, including performance-related bonus schemes. The committee comprises A M Pendlebury and, pending the appointment of a new independent director, S L Dye. It is chaired by A M Pendlebury. However, neither A M Pendlebury nor S L Dye are involved in determining their own remuneration. No members of the remuneration committee are involved in determining their own remuneration. There are plans to evolve the Company's governance structure so that the remuneration committee has an independent chair.

The whole Board considers matters of nomination and succession and thus there is no requirement for a nomination committee currently.

Engagement with shareholders

The Board values the views of its shareholders. The directors hold a material interest in the Group which aligns their interests to shareholders. The split of shareholdings at the date of this report was:

Type of shareholder	% Of total issued share capital
Directors	21.21%
Employee Benefit Trust	2.30%
Institutional Investors	10.00%
Brokers, individuals and other	66.49%

The Annual General Meeting is used to communicate with all investors, and they are encouraged to participate. The directors are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a formal resolution to approve the Annual Report. Shareholders can also contact the Company Secretary or the Chairman via the Company's website. The Board takes full cognisance of the results of any poll or feedback from shareholders and the Chairman will respond as appropriate whether by email or by offering a chance to meet with the shareholder to explain the Board's position.

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