

THE HEAVITREE BREWERY PLC
STATEMENT OF COMPLIANCE WITH QUOTED COMPANIES ALLIANCE CORPORATE
GOVERNANCE CODE 2024

QCA Code Principle	How we comply with the QCA Code in this area	
<p>Principle 1 Establish a purpose, strategy and business model which promote long-term value for shareholders</p>	<p>The Company's business model is the running and development of a leased and tenanted estate in the South West of England. Its purpose is to maintain and evaluate the estate with the intention of maximising the full potential of its public houses, investing and diversifying where needed in order to achieve a sustainable and profitable estate whilst disposing of those assets no longer giving acceptable returns. This includes development for alternative use where appropriate.</p> <p>As the Company operates a tenanted estate, the focus is always on attracting and retaining the best tenants to achieve full potential within the public houses.</p> <p>The Board reviews the strategy of the Company on a regular basis.</p> <p>Further information in relation to the business activities, together with the factors likely to affect its future development, performance, and position, is set out in the Chairman's statement within the annual financial statements. www.heavitreebrewery.co.uk/financial</p>	
<p>Principle 2 Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The Board is committed to providing a working environment that promotes employee wellbeing and safety, whilst facilitating their performance. It is also committed to training and incentivising its staff. Various training schemes are offered along with different incentive plans, including a private healthcare scheme and share incentive scheme plan.</p> <p>It is important to the Board that it takes collective responsibility with regard to all decision making and that the Company as a whole works as a team and finding the right people to enhance the team is a major factor in the recruitment process. The Board is kept up to date with all employee matters on a regular basis through the management team.</p> <p>The Company actively works with its tenants and leaseholders to promote a culture of long-term sustainability within the estate. The Tenanted Operations Managers hold monthly management</p>	

	<p>meetings with their Tenants and leaseholders in order to promote a positive culture.</p> <p>The company is committed to the care of the environment and encourages its contractors and tenants to use energy efficient materials and practices wherever possible.</p>	
<p>Principle 3 Seek to understand and meet shareholder needs and expectations</p>	<p>The company recognises the importance of engaging with its shareholders and reports fully to them when its full-year and half-year results are published. The company also encourages shareholders to attend its Annual General Meeting. All shareholders are given the opportunity to ask questions and raise issues; this can be done formally during the meeting or in writing prior to the meeting.</p> <p>The Chairman provides a further trading update at the Annual General Meeting.</p> <p>The Company is principally a family business, with the extended Tucker family having a majority shareholding whilst the remainder are held by independent individual shareholders. The extended family have representation on the Board and part of their role is to communicate with other family shareholders.</p> <p>Copies of our annual report (which includes the notice of the AGM) and the interim report are sent to all shareholders and copies can be downloaded from the Investors' section on our website www.heavitreebrewery.co.uk/financial</p> <p>Alternatively, they are available on request by writing to the Company Secretary at Trood Lane, Matford, Exeter, EX2 8YP. Other information for shareholders, including AGM results, is also provided on the company's website.</p>	
<p>Principle 4 Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success</p>	<p>The Company recognises that we are not only responsible to our shareholders and employees, but to a wider group of stakeholders (including our tenants, lenders, and suppliers) and the environment in which we operate. We also recognise that the success of the Company very much depends on the relationships we build at all levels.</p> <p>The company is registered with the pub sector England & Wales Tenanted Code of Practice, along with the BBPA (British Beer & Pub Association) and corporate membership to the BII. This enables the company to promote and follow best practice and allows our</p>	

	<p>tenants to have free access to newsletters and direct industry support.</p> <p>The Board is committed to the responsible retailing of alcohol to and by our tenants and ensures that any feedback or issues from the communities are dealt with effectively and appropriately. The Company is also on the Alcohol Wholesale Awareness Register.</p> <p>We engage with the communities in which we operate and look to understand the local issues that are important to them. We provide financial support to the Heavitree Brewery Charitable Trust which in turn aims to support local causes.</p> <p>The company is committed to the highest standards of corporate social responsibility in its activities. The company is mindful of the Modern Slavery Act 2015 and antibribery and corruption regulations and these areas are looked at within Board and management meetings.</p>	
<p>Principle 5 Embed effective risk management, internal controls, and assurance activities, considering both opportunities and threats, throughout the organisation</p>	<p>The Board has ultimate responsibility for the Company's system of internal risk management and for reviewing its effectiveness. Any such system of internal financial and operational controls can provide reasonable, but not absolute assurance, against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity, and risk profile of the company.</p> <p>The Company is exposed to a variety of financial, operational, economic, and regulatory risks and uncertainties. Our principal risks and uncertainties and how they are managed are set out in our Strategic Review within our annual financial statements and within the notes under 'Financial instruments and derivatives' we expand on exposure to certain risks and the steps we take to control and manage that exposure. www.heavitreebrewery.co.uk/financial</p> <p>The Board has a conservative approach to financial risk management and the Company does not use any speculative or non-basic financial instruments.</p> <p>The company has an established framework of internal financial and operational controls, the effectiveness of which is regularly reviewed by management and the executive directors.</p> <p>The Board receives an annual report from its external auditors on the state of its risk management and internal controls.</p>	

	<p>The independent Non-Executive Director is responsible for audit oversight and considers the independence of the external auditors annually at the planning and completion stages of the audit. He also conducts a three yearly review of audit services with a presentation to the full Board.</p>	
<p>Principle 6 Establish and maintain the board as a well-functioning balanced team led by the chair</p>	<p>The Board currently consists of an Executive Chairman, three Executive Directors, two Non-Executive Directors and a further Independent Non-Executive Director. Due to the size and structure of the Company, the Board considers that the one Independent Non-Executive Director is sufficient to uphold the quality of Board independence.</p> <p>The Company's Articles of Association require one third of the directors to stand for re-election by shareholders annually, given the size of the Company the Board considers this appropriate.</p> <p>The Board has not established an Audit Committee as the Directors consider that the current arrangement with the external Auditors, along with the Independent Non-Executive Director, who is an ICAEW qualified professional overseeing all Audit processes, is more than effective for the business.</p> <p>The Board has established a Remuneration Committee which comprises of the Executive Chairman, one Non-Executive Director and the Independent Non-Executive Director.</p> <p>The Board had established a Nominations Committee which comprises of the Executive Chairman, one Non-Executive Director and the Independent Non-Executive Director.</p> <p>Further details of the composition of the Board and each Director's attendance at Board meetings are shown in the financial statements. www.heavitreebrewery.co.uk/financial The Board meets each month for formal Board meetings, with additional meetings being held when required.</p>	
<p>Principle 7 Maintain appropriate governance structures and ensure that</p>	<p>The roles and responsibilities of specific Directors can be found in our financial statements. www.heavitreebrewery.co.uk/financial</p>	

<p>individually and collectively the directors have the necessary up-to-date experience, skills, and capabilities</p>	<p>The Board is satisfied that it has the appropriate balance of skills and experience. The Executive Directors have considerable expertise in their roles and the industry. The Non-Executive Directors have business, financial, commercial and social expertise to be able to bring a balance and perspective to the Board.</p> <p>The Board ensures that all Directors continually update the skills and knowledge required to fulfil their roles both on the Board and on Board Committees.</p> <p>There are procedures in place whereby the Directors may take independent professional advice where needed.</p> <p>All the day to day operational decisions are taken initially by the Executive Directors, in accordance with the company's strategy. The Executive Directors are also responsible for initiating commercial transactions and approving payments, save for those relating to their own employment.</p> <p>The Board is responsible for ensuring the Company maintains a system of internal financial controls. The objectives of the system are to safeguard the company assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is timely and reliable. This system provides reasonable, but not absolute assurance against material loss or misstatement.</p> <p>The Company has effective procedures in place to monitor and deal with any conflicts of interest or related party transactions. The Board are made aware of and report in meetings any commitments or interests outside of the company and these are also looked at during the external audit process. Further information can be found in the financial statements.</p>	
<p>Principle 8 Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The Directors of the company are committed to sound corporate governance of the business and each director devotes sufficient time to ensure this happens. The contribution of directors in terms of relevance and effectiveness of each one is subject to evaluation overseen by the Executive Chairman.</p> <p>Appraisals for all Directors are carried out annually. Performance appraisals of the Non-Executive Directors are carried out by the Executive Chairman,</p>	

	whilst the appraisals for the Executive Directors are carried out by the Independent Non-Executive Director and an Executive Director.	
Principle 9 Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy, and culture	<p>The Remuneration Committee considers and determines the remuneration of the Executive and Non-Executive Directors. External advice is taken as appropriate.</p> <p>Remuneration for all Directors is in accordance with the pay percentage awarded to all staff members at the salary review in January of each year. No separate pay awards are given to Directors.</p> <p>No director is involved in setting his or her own remuneration.</p> <p>Details of Directors' remuneration can be found in the financial statements.</p>	
Principle 10 Communicate how the company is governed and is performed by maintaining a dialogue with shareholders and other key stakeholders	<p>The company believes in good communication with shareholders and encourages shareholders to attend its Annual General Meeting. This meeting is well attended, and all shareholders are given the opportunity to ask questions and raise issues; this can be done formally during the meeting or in writing prior to the meeting.</p> <p>The company communicates with shareholders through:</p> <ul style="list-style-type: none"> • The annual financial statements • The full-year and half-year announcements • The Annual General Meeting • Shareholder questions are always welcomed and replied to appropriately. • Issuing regular and appropriate RNS and RNS Reach announcements. <p>Copies of our financial statements (which includes the notice of the AGM), and the interim report are sent to all shareholders and copies can be downloaded from the investors section of www.heavitreebrewery.co.uk</p> <p>Alternatively, they are available on request in writing to the Company Secretary at Trood Lane, Matford, Exeter, EX2 8YP. Other information for shareholders (and other interested parties) is also provided on our website. www.heavitreebrewery.co.uk</p>	