



QCA CODE COMPLIANCE STATEMENT

The Board of Directors ('the Board') is committed to effective corporate governance and all Directors are fully aware of their duties and responsibilities. In accordance with Rule 26 of the AIM Rules for Companies, Likewise PLC confirms that it observes the Quoted Companies Alliance ("QCA") Corporate Governance Code ("QCA Code").

The Board believes that adherence to the QCA Code provides a strong foundation for delivering shareholder value.

It is the role of the Board, to ensure that Likewise PLC and its subsidiary undertakings (the 'Group') is managed in a way that nurtures and protects the medium to long-term benefit of all shareholders, supported by effective and efficient decision-making. Applying the QCA Code forms an important part of this process, which serves to mitigate and minimise risk and add value to our business.

Set out below is a description of each of the principles of the Code, together with an explanation of how this is applied by Likewise PLC and of any departures from the Code.

Further details of corporate governance and our risk management framework are published on our investor relations website.

This statement was re-issued on 13 June 2023



CORPORATE GOVERNANCE

As a company trading on AIM, the Company is not required to adopt a specific corporate governance code. However, it is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and will continue to comply with the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders. The Company will comply with the QCA Code, as detailed below.

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

The Directors believe that the Group's model and growth strategy, which increases the size of the Group through consolidation of the market via driving organic growth and selective acquisitions, helps to promote long-term value for Shareholders. The Directors intend to subject this strategy to ongoing review and will provide an update on it from time to time in their strategic report that will be included in the annual report and accounts of the Group.

The Directors will take the appropriate steps to identify risks facing the Group and undertake a mitigation strategy to manage these risks.

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

The Board and/or members of the Board have undertaken roadshows to promote the Company and to update shareholder expectations.

The Board have maintained regular meetings and dialogue with shareholders, which they intend to continue. The Company has been informed of its existing Shareholders' expectations through regular meetings and dialogue with those Shareholders.

In addition to maintaining an active dialogue with Shareholders and other market participants, the Company will also provide updates via announcements made via a Regulatory Information Service (RNS) on matters of a material substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected material deviations to market expectations will be announced via a Regulatory Information Service (RNS).

The Company's AGM, expected to be in June of each year, will provide an opportunity for Shareholders to meet with the Chairman and other members of the Board. The meeting will be open to all Shareholders, giving them the opportunity to ask questions and raise issues during the formal business or, more informally, following the meeting. The Board values highly, the opportunity to meet Shareholders. The results of the AGM will be announced via a Regulatory Information Service (RNS).

The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored and the Company intends to engage with Shareholders who do not vote in favour of resolutions at AGMs to understand their motivation.

There is also an email address for investor relations, info@likewiseplc.com and all contact details are included on the Group's website www.likewiseplc.com.

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

The Group takes its corporate social responsibilities very seriously and is committed to operating as a responsible, sustainable business.

The Group will maintain effective working relationships across a wide range of stakeholders including Shareholders, employees, customers, suppliers and the communities in which the Group operates, in order to achieve long term success.

The Directors will maintain an open and ongoing dialogue with its stakeholders to help promote the long-term sustainable success of the Group.

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

The Directors take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks through its already established Audit Committee.

The risks involved and the specific uncertainties for the Group will be regularly monitored and the Board will formally and regularly review such risks at Board meetings. All proposals reviewed by the Board will include a consideration of the issues and risks of the proposal. Where necessary, the Board will draw on the expertise of appropriate external consultants or advisers to assist in dealing with or mitigating risk.

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

The Board comprises the following persons:

- the independent non-executive chairman;
- two non-executive directors; and
- two executive directors.

The biographies of the Directors are set out on the Group's website www.likewiseplc.com

Two separate boards have been established to deliver the Group's long term strategy:

The PLC Board

The PLC Board are responsible for the execution of the strategy and ensuring the Group meets with the requirements expected of a listed business. The PLC Board consists of Paul Bassi (independent non-executive Chairman), Tony Brewer (Chief Executive Officer), Roy Povey (Chief Financial Officer), Andrew Simpson (non-executive director) and Mike Steventon (non-executive director), each of whom have previous listed company experience and have a wealth of experience in the UK floor coverings industry. Paul Bassi and Mike Steveton are considered to be independent and were selected with the objective of bringing additional experience and independent judgement to the Board.

The PLC Board is also supported by the Audit Committee and the Remuneration Committee, further details of which are set out below. The PLC Board has established a Nomination Committee and AIM Rules Compliance Committee.

The Directors will be subject to retirement by rotation at every third AGM of the Company.

Executive Board

The Executive Board will report to the PLC Board and are responsible for operational delivery of the business. They are in control of the day to day trading, sourcing and integration of new acquisitions and management of head office operations. This board consists of Adrian Laffey, Tony Judge and James Kellett who have a wealth of experience in the UK floor coverings market.

Audit Committee

The Audit Committee is responsible for reviewing and monitoring internal financial control systems and risk management systems on which the Group is reliant, considering annual and interim accounts and audit reports, considering the appointment and remuneration of the Group's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications. The Audit Committee consists of Mike Steventon (chair), Paul Bassi and Andrew Simpson.

Remuneration Committee

The Remuneration Committee is responsible for, *inter alia*, the Group's remuneration policy and for reviewing and recommending all Directors' and senior executives' remuneration, bonuses and incentives. The Remuneration Committee consists of Andrew Simpson (chair), Mike Steventon and Paul Bassi.

Nomination Committee

A Nominations Committee has been established and is responsible for identifying suitable candidates to be appointed as Directors as and when a vacancy may arise. This committee will only meet as required.

AIM Rules Compliance Committee

The Board has established an AIM Rules Compliance Committee, responsible for managing the Company's compliance with the AIM Rules. This committee meets, at a minimum, once per year.

The PLC board and Executive board will meet regularly and will hold at least ten board meetings per annum. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties.

The Group is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and will consider the requirement for additional Executive and Non-Executive Directors as the Company fulfils its growth objectives.

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

The skills and experience of the Directors are summarised in their biographies set out on the Group's website www.likewiseplc.com

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives. The Director's experiences are varied and complementary, and they each contribute to maintaining a balanced board that has the appropriate level and range of skill to push the Group forward as it executes on its business strategy.

The Board is not dominated by any one individual and all Directors have the ability to challenge proposals put forward at each meeting, democratically. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, *inter alia*, the AIM Rules, and the Company's solicitors in respect of continued compliance with, *inter alia*, MAR.

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

The Directors will consider the effectiveness of the Board, the Audit Committee, the Remuneration Committee and the individual performance of each Director on an ongoing basis.

The Company has established a Nomination Committee which will conduct a regular assessment of the individual contributions of each member of the Board to ensure that their contribution is relevant and effective. The outcomes of each performance review will be described in the annual report and accounts of the Group to ensure that Shareholders are kept well-informed. The Company has also established an AIM Rules Compliance Committee to manage the Company's ongoing compliance with the AIM Rules.

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

The Group has a responsibility towards its employees and other stakeholders. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

The culture is set by the Board and will be regularly considered and discussed at Board meetings.

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

The Group maintains two boards to deliver the Group's long term strategy, the PLC Board and the Executive Board.

The Chairman leads the PLC Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Non-Executive Directors are responsible for bringing objective judgement to Board decisions. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The PLC Board is supported by the Audit Committee and Remuneration Committee. The PLC Board also intends to set up a Nomination Committee and AIM Rules Compliance Committee on Admission. There are certain material matters which are reserved for consideration by the full PLC Board.

To support the PLC Board, an Executive Board has been established which reports into the PLC Board and is responsible for operational delivery and is in control of the day to day trading, sourcing and integration of new acquisitions and management of head office operations.

The PLC Board intends to review the Group's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Principle 10: Communicate how the Company is governed and is performing by maintaining an open dialogue with Shareholders and other relevant stakeholders

In terms of its governance, the Company shall disclose, on its website and within its annual report and accounts, how the Company is governed and complies with the QCA Code. The Company will review this information at least annually in accordance with the requirements of AIM Rule 26.

The Board views the annual report and accounts, as well as its half year report, as key communication channels through which progress in meeting the Group's objectives and updating its strategic targets can be given to the Shareholders.

Additionally, the Board will use the Company's AGMs as a primary mechanism to engage directly with Shareholders, to provide information and receive feedback about the Group and its progress. The results of any votes held at the AGM, or other General Meetings ("GM"), will be communicated in a clear and transparent manner via a Regulatory Information System (RNS) as soon as possible after the meeting finishes. Should a significant proportion of votes be against any resolution proposed at the AGM or GM, the Group will provide an explanation of the actions it will take, or has taken, as a result of the vote, in a timely manner.

The Company's website will be updated on a regular basis with information regarding the Group's activities and performance, including financial information and notices of any AGM or GM in accordance with AIM Rule 26.

There is also an email address for investor relations, info@likewiseplc.com and all contact details are included on the Group's website www.likewiseplc.com