

Statement of Compliance with the QCA Corporate Governance Code 2023

Chairman's Introduction

Corporate governance is essential to ensuring our business is run in the right way for effective decision making for the benefit of all our stakeholders. Our governance arrangements continue to support the development and delivery of strategy by facilitating the sharing of information to inform decisions, enabling engagement with key stakeholders, maintaining a sound system of risk management and internal controls, providing insight and knowledge from the non-executive directors and facilitating the development and monitoring of key performance indicators.

We continue to operate with a small board and executive team and recognise the difficulties this poses in relation to any separation of duties. Whilst we continue to be mindful of this risk, our governance structure was reviewed by the external auditor and the Audit Committee as part of its review of internal control, and both found our structure to be adequate, given the company's size, complexity and purpose.

With the move to TISE and the application of a new governance code, this year has been a year of transition and adjustment for the company in relation to its corporate governance and reporting. We have embraced this change and look forward to cementing our approach in 2025.

Charles Butler





Non-executive Chair

May 2025

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I N V E S T M E N T S P L C

Compliance with the QCA Corporate Governance Code 2023

| Principle | Compliant | How this was applied | Where to find further information in the Annual Report and Accounts 2024 |
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| Principle 1. Establish a purpose, strategy and business model which promote long-term value for shareholders |  | <ul style="list-style-type: none"> The company's purpose is "to provide our tenants with quality properties in good locations, enabling them to succeed, and our stakeholders to benefit on a long-term, sustainable basis." This purpose is supported by the group's strategy to deliver sustainable long-term income and capital growth for its shareholders through accretive asset management initiatives and recycling of capital in its regionally based property portfolio. The board's annual schedule of agenda items ensures that the business plan is reviewed at least once every year. | <ul style="list-style-type: none"> Overview (page IFC) Our business model (page 04) Strategic pillars (page 05) Our key performance indicators (page 06) Stakeholder engagement (page 17) |
| Principle 2. Promote a corporate culture that is based on ethical values and behaviours |  | <ul style="list-style-type: none"> Our culture is defined as being open and supportive. Integrity is a value that defines our culture and underpins the way that we do business. | <ul style="list-style-type: none"> S172(1) Statement and Stakeholder engagement (page 17) Sustainability (page 18) |
| Principle 3. Seek to understand and meet shareholder needs and expectations |  | <ul style="list-style-type: none"> The relationship with the controlling shareholder and how minority shareholders are protected is set out in the Report of the Directors on page 27. | <ul style="list-style-type: none"> S172(1) Statement and Stakeholder engagement (page 17) Report of the Directors (page 27) For more information on shareholders and the information provided to them, please see: https://www.highcroftplc.com/investor/investor-centre/ |
| Principle 4. Take into account wider stakeholder interests, including social |  | <ul style="list-style-type: none"> Quarterly meetings with asset managers include environmental matters. | <ul style="list-style-type: none"> S172(1) Statement and Stakeholder engagement (page 17) Sustainability (page 18) |

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| and environmental responsibilities, and their implications for long-term success | | <ul style="list-style-type: none"> • EPC assessments undertaken and updated to ensure the company continues to operate responsibly. | |
| Principle 5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation | ✓ | <ul style="list-style-type: none"> • The board is responsible for establishing and maintain the company's system of risk management and internal controls. • The board meets regularly and business and financial risks are discussed as part of the property and financial updates. • The audit committee is responsible for monitoring compliance with accounting and legal requirements and for reviewing the annual and interim financial statements prior to their submissions to the board for approval. • The independence of the auditor is confirmed and approved by the board on an annual basis. | <ul style="list-style-type: none"> • Our risks (page 13) • Audit Committee report (page 23) • Audit Committee Terms of Reference can be found at www.highcroftplc.com |
| Principle 6. Establish and maintain the board as a well functioning, balanced team led by the Chair | — | <ul style="list-style-type: none"> • Board members are proposed for re-election at the annual general meeting on an annual basis. • The board's responsibilities are documented in a 'Schedule of Matters Reserved for the Board' and an annual agenda schedule. • Following changes to the board composition, during the second-half of the year, there is only one independent non-executive director. To mitigate this change, the group has continued to follow its procedures in relation to conflicts of interest and will remain open to opportunities with regards recruiting an additional independent member. | <ul style="list-style-type: none"> • Board of Directors (page 22) • More information on board members, can be found at online at www.highcroftplc.com |
| Principle 7. Maintain appropriate governance structures and ensure that individual and collectively the directors have | ✓ | <ul style="list-style-type: none"> • The company has a governance framework appropriate for its size and complexity. • The board reflects on its composition including diversity, experience and skills, when considering recruitment and succession plans. • The board continues to be supported by the audit and remuneration | <ul style="list-style-type: none"> • Board of Directors (page 22) • More information on board members and Terms of Reference for the committees, can be found at online at |

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| the necessary up-to-date experience, skills and capabilities | I N V E S T M E N T S P L C | committees, as well as the external company secretary and other professional advisers. | www.highcroftplc.co.uk |
| Principle 8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement | ■ | <ul style="list-style-type: none"> The board undertook an internal board evaluation in December 2023. In recognition that 2024 was a year of considerable change and transition, the board agreed to defer the next internal review until 2025. The board has not undertaken an externally facilitated board performance review. Given the lack of size and complexity of the company, the board feel incurring this cost would not be in the best interests of the shareholders. Following the move to TISE and taking into account the group's size and lack of complexity, the decision was made to disband the nomination committee, with the responsibilities being assumed by the board. | <ul style="list-style-type: none"> Overview (page IFC) Our key performance indicators (page 06) |
| Principle 9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture | ✓ | <ul style="list-style-type: none"> The current remuneration policy and practice explain how this supports the delivery and attainment of the company's purpose, business model and strategy. Approval of the remuneration report is included as a resolution to the annual general meeting. | <ul style="list-style-type: none"> Directors' remuneration report (page 25) |
| Principle 10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders | ✓ | <ul style="list-style-type: none"> The company has a governance framework consisting of the board, supported by the executive committee, audit committee and remuneration committee. | <ul style="list-style-type: none"> Introduction to corporate governance (page 19) S172(1) Statement and Stakeholder engagement (page 17) |