

**2019 ANNUAL REPORT AND ACCOUNTS
CORPORATE GOVERNANCE COMPLIANCE STATUS**

| PROVISION | REQUIREMENT | STATUS | INTERTEK'S POSITION/COMMENT |
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| Listing Rules Narrative Statements | | | |
| LR 9.8.4C R | <p>The listed company's annual financial report must include the information required under LR 9.8.4 R (listed below) in a single identifiable section, unless the annual financial report includes a cross reference table indicating where that information is set out.</p> <ol style="list-style-type: none"> 1. a statement of the amount of interest capitalised by the <i>group</i> during the period under review with an indication of the amount and treatment of any related tax relief; 2. any information required by <i>LR 9.2.18 R</i> (Publication of unaudited financial information); 3. [deleted] 4. details of any long-term incentive schemes as required by <i>LR 9.4.3 R</i>; 5. details of any arrangements under which a <i>director</i> of the <i>company</i> has waived or agreed to waive any emoluments from the <i>company</i> or any <i>subsidiary undertaking</i>; 6. where a <i>director</i> has agreed to waive future emoluments, details of such waiver together with those relating to emoluments which were waived during the period under review; 7. in the case of any allotment for cash of <i>equity securities</i> made during the period under review otherwise than to the holders of the <i>company's equity shares</i> in proportion to their holdings of such <i>equity shares</i> and which has not been specifically authorised by the <i>company's</i> shareholders: <ol style="list-style-type: none"> (a) the classes of shares allotted and for each class of shares, the number allotted, their aggregate nominal value and the consideration received by the company for the allotment; (b) the names of the allottees, if less than six in number, and in the case of six | ✓ | A cross reference table is provided in the Other Statutory Information section, 'Annual Report and Accounts and Compliance with Listing Rule ('LR') 9.8.4'. |

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| | <p>or more allottees a brief generic description of each new class of equity holder (e.g. holder of loan stock);</p> <p>(c) the market price of the allotted <i>securities</i> on the date on which the terms of the issue were fixed; and</p> <p>(d) the date on which the terms of the issue were fixed;</p> <p>8. the information required by paragraph (7) must be given for any unlisted <i>major subsidiary undertaking</i> of the <i>company</i>;</p> <p>9. where a <i>listed company</i> has listed shares in issue and is a <i>subsidiary undertaking</i> of another <i>company</i>, details of the participation by the <i>parent undertaking</i> in any placing made during the period under review;</p> <p>10. details of any <i>contract of significance</i> subsisting during the period under review:</p> <p>(a) to which the <i>listed company</i>, or one of its <i>subsidiary undertakings</i>, is a party and in which a <i>director</i> of the <i>listed company</i> is or was materially interested; and</p> <p>(b) between the <i>listed company</i>, or one of its <i>subsidiary undertakings</i>, and a <i>controlling shareholder 14</i>;</p> <p>11. details of any contract for the provision of services to the <i>listed company</i> or any of its <i>subsidiary undertakings</i> by a <i>controlling shareholder 14</i>, subsisting during the period under review, unless:</p> <p>(a) it is a contract for the provision of services which it is the principal business of the shareholder to provide; and</p> <p>(b) it is not a <i>contract of significance</i>;</p> <p>12. details of any arrangement under which a shareholder has waived or agreed to waive any dividends;</p> <p>13. where a shareholder has agreed to waive future dividends, details of such waiver together with those relating to dividends which are payable during the period under review; and</p> <p>14. a statement made by the board:</p> <p>(a) that the <i>listed company</i> has entered into any agreement required under <i>LR 9.2.2ADR (1)</i>; or</p> <p>(b) where the <i>listed company</i> has not entered into an agreement required</p> | | |

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| | <p>under <i>LR 9.2.2ADR (1)</i>:</p> <ul style="list-style-type: none"> (i) a statement that the <i>FCA</i> has been notified of that non-compliance in accordance with <i>LR 9.2.23 R</i>; and (ii) a brief description of the background to and reasons for failing to enter into the agreement that enables shareholders to evaluate the impact of non-compliance on the <i>listed company</i>; and <p>(c) that:</p> <ul style="list-style-type: none"> (i) the <i>listed company</i> has complied with the undertakings in LR 6.5.4R or LR 9.2.2ADR(1) during the period under review; (ii) so far as the <i>listed company</i> is aware, undertakings in LR 6.5.4R or LR 9.2.2ADR(1) have been complied with during the period under review by the <i>controlling shareholder</i> or any of its <i>associates</i>; and (iii) so far as the <i>listed company</i> is aware, the procurement obligation (as set out in LR 6.5.5R(2)(a) or <i>LR 9.2.2BR (2)(a)</i>) included in any agreement entered into under <i>LR 6.5.4R</i> or <i>LR 9.2.2ADR(1)</i> has been complied with during the period under review by a <i>controlling shareholder</i>; or (d) where an undertaking in LR 6.5.4R or LR 9.2.2ADR(1) or a procurement obligation (as set out in LR 6.5.5R(2)(a) or LR 9.2.2BR (2)(a)) included in any agreement entered into under LR 6.5.4R or LR 9.2.2ADR(1) has not been complied with during the period under review: <ul style="list-style-type: none"> (i) a statement that the <i>FCA</i> has been notified of that non-compliance in accordance with <i>LR 9.2.24 R</i>; and (ii) a brief description of the background to and reasons for failing to comply with the relevant independence provision or procurement obligation that enables shareholders to evaluate the impact of non-compliance on the <i>listed company</i>. | | |
| LR 9.8.6 R (1) | A statement setting out all the interests (in respect of which transactions are notifiable to the company under article 19 of the Market Abuse Regulation (MAR)) of each person who is a director of the listed company, as at the end of the period under | ✓ | Provided in the Remuneration report, 'Directors' Interests in Ordinary Shares'. |

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| | <p>review including:</p> <p>(a) all changes in the interests of each director that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or</p> <p>(b) if there have been no changes in the period described in paragraph (a), a statement that there have been no changes in the interests of each director.</p> <p>Interests of each director includes the interests of connected persons of which the listed company is, or ought upon reasonable enquiry to become, aware.</p> | | |
| LR 9.8.6 R (2) | <p>A statement showing the interests disclosed to the listed company in accordance with DTR 5 as at the end of the period under review and:</p> <p>(a) all interests disclosed to the listed company in accordance with DTR 5 that have occurred between the end of the period under review and a date not more than one month prior to the date of the notice of the annual general meeting; or</p> <p>(b) if no interests have been disclosed to the listed company in accordance with DTR 5 in the period described in (a), a statement that no changes have been disclosed to the listed company.</p> | ✓ | <p>Provided in the Other Statutory Information section, 'Material Interests in Shares'.</p> |
| LR 9.8.6 R (3) | <p>Statements by the directors on:</p> <p>(a) the appropriateness of adopting the going concern basis of accounting (containing the information set out in Provision 30 of the UK Corporate Governance Code); and</p> <p>(b) their assessment of the prospects of the company (containing the information set out in Provision 31 of the UK Corporate Governance Code);</p> | ✓ | <p>Provided in the Directors' report, Audit Committee report, under the 'Going Concern' section and in the Strategic report under the Principle Risks and Uncertainties section, 'Long-term viability statement'.</p> |

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| | <p>prepared in accordance with the 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting' published by the Financial Reporting Council in September 2014;</p> | | |
| <p>LR 9.8.6 R (4)</p> | <p>A statement setting out:</p> <p>(a) details of any shareholders authority for the purchase, by the listed company of its own shares that is still valid at the end of the period under review;</p> <p>(b) in the case of purchases made otherwise than through the market or by tender to all shareholders, the names of sellers of such shares purchased, or proposed to be purchased, by the listed company during the period under review;</p> <p>(c) in the case of any purchases made otherwise than through the market or by tender or partial offer to all shareholders, or options or contracts to make such purchases, entered into since the end of the period covered by the report, information equivalent to that required under Part 2 of Schedule 7 to the Large & Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (Disclosure required by company acquiring its own shares etc); and</p> <p>(d) in the case of sales of treasury shares for cash made otherwise than through the market, or in connection with an employees' share scheme, or otherwise than pursuant to an opportunity which (so far as was practicable) was made available to all holders of the listed company's securities (or to all holders of a relevant class of its securities) on the same terms, particulars of the names of purchasers of such shares sold, or proposed to be sold, by the company during the period under review.</p> | <p>✓</p> | <p>Provided in the Other Statutory Information section, 'Purchase of Own Shares'.</p> |
| <p>LR 9.8.6 R (5)</p> | <p>A statement of how the listed company has applied the Principles set out in the UK Corporate Governance Code, in a manner that would enable shareholders to evaluate how the principles have been applied;</p> | <p>✓</p> | <p>Provided in the Directors' report, Chairman's Introduction, 'Compliance with the 2018 UK Corporate Governance Code'.</p> |

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| LR 9.8.6 R (6) | <p>A statement as to whether the listed company has:</p> <p>(a) complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code; or</p> <p>(b) not complied throughout the accounting period with all relevant provisions set out in the UK Corporate Governance Code and if so, setting out:</p> <p>(i) those provisions, if any it has not complied with;</p> <p>(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and</p> <p>(iii) the company's reasons for non-compliance; and</p> | ✓ | <p>Provided in the Directors' Report, Chairman's Introduction, 'Compliance with the 2018 UK Corporate Governance Code'.</p> |
| LR 9.8.6 R (7) | <p>a report to the shareholders by the Board which contains the information set out in LR 9.8.8 R (<i>must contain details of the unexpired term of any director's service contract of a director proposed for election or re-election at the forthcoming annual general meeting, and, if any director proposed for election or re-election does not have a directors' service contract, a statement to that effect</i>).</p> | ✓ | <p>Provided in the Remuneration Report under 'Service Contracts for Executive Directors' and 'Letters of Appointment for Non-Executive Directors'.</p> |
| The Disclosure Guidance and Transparency Rules | | | |
| Audit Committees | | | |
| DTR 7.1.7G | <p>In the FCA's view, compliance with Provisions 14, 24, 25 and 26 of the UK Corporate Governance Code and following the statement of good practice set out in paragraph 63 of the 'Guidance on Board Effectiveness' published by the Financial Reporting Council in July 2018 will result in compliance with DTR 7.1.1R to DTR 7.1.3R and with DTR 7.1.5R except as regards disclosing how the body which carries out the functions required by DTR 7.1.3R is composed.</p> | ✓ | <p>Provided in the Directors' Report.</p> |

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| Corporate Governance Statements | | | |
| DTR 7.2.1R | An issuer to which this section applies must include a corporate governance statement in its directors' report. That statement must be included as a specific section of the directors' report and must contain at least the information set out in DTR 7.2.2 R to DTR 7.2.7 R and, where applicable, DTR 7.2.8AR and DTR 7.2.10 R. | ✓ | Provided in the Directors' Report, Chairman's Introduction, 'Compliance with the 2018 UK Corporate Governance Code'. |
| DTR 7.2.2R | The corporate governance statement must contain a reference to the following, where applicable: (1) the corporate governance code to which the issuer is subject; (2) the corporate governance code which the issuer may have voluntarily decided to apply; and (3) all relevant information about the corporate governance practices applied over and above the requirements under national law. | ✓ | Provided in the Directors' Report, Chairman's Introduction, 'Compliance with the 2018 UK Corporate Governance Code'. |
| DTR 7.2.3R | (1) An issuer which is complying with DTR 7.2.2 R (1) or DTR 7.2.2 R (2) must: (a) state in its directors' report where the relevant corporate governance code is publicly available; and (b) where it departs from that corporate governance code, explain which parts of the corporate governance code it departs from and the reasons for doing so. (2) Where DTR 7.2.2 R (3) applies, the issuer must make details of its corporate governance practices publicly available and state in its directors' report where they can be found. (3) If an issuer has decided not to refer to any provisions of a corporate governance code referred to under DTR 7.2.2 R (1) and DTR 7.2.2 R (2), it must explain its reasons for that decision. | ✓ | Provided in the Directors' Report, Chairman's Introduction, 'Compliance with the 2018 UK Corporate Governance Code'. |

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| DTR 7.2.4 G | A listed company which complies with LR 9.8.6R (6) (the comply or explain rule in relation to the UK Corporate Governance Code) will satisfy the requirements of DTR 7.2.2 R and DTR 7.2.3 R. | ✓ | Provided in the Directors' Report, Chairman's Introduction, 'Compliance with the 2018 UK Corporate Governance Code'. |
| DTR 7.2.5R | The corporate governance statement must contain a description of the main features of the issuer's internal control and risk management systems in relation to the financial reporting process. | ✓ | Provided in the Directors' Report, 'Internal Control and Risk Management'. |
| DTR 7.2.6R | The corporate governance statement must contain the information required by paragraph 13(2)(c), (d), (f), (h) and (i) of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (information about share capital required under Directive 2004/25/EC (the Takeover Directive)) where the issuer is subject to the requirements of that paragraph. | ✓ | Provided in the Other Statutory Information section. |
| DTR 7.2.7R | The corporate governance statement must contain a description of the composition and operation of the issuer's administrative, management and supervisory bodies and their committees. N.B. DTR 7.2.8G - in the FCA's view, the information specified in provisions A.1.1, A.1.2, B.2.4, D.2.1, C.3.3 and C.3.8 of the UK Corporate Governance Code will satisfy the requirements of DTR 7.2.7R. | ✓ | Provided in the Directors' Report, 'Board of Directors', 'Direct reports to the CEO' and each of the Committee reports. |
| DTR 7.2.8.AR | (1) The corporate governance statement must contain a description of: (a) the diversity policy applied to the issuer's administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds; (b) the objectives of the diversity policy in (a); (c) how the diversity policy in (a) has been implemented; and | ✓ | Provided in the Strategic report in the Sustainability section under 'Inclusion, diversity and gender equality' and in the Directors' Report, Nomination Committee, 'Diversity'. |

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| | (d) the results in the reporting period. | | |
| DTR 7.2.10 R | Subject to DTR 7.2.11 R, an issuer which is required to prepare a group directors' report within the meaning of section 415(2) of the Companies Act 2006 must include in that report a description of the main features of the group's internal control and risk management systems in relation to the financial reporting process for the undertakings included in the consolidation, taken as a whole. In the event that the issuer presents its own annual report and its consolidated annual report as a single report, this information must be included in the corporate governance statement required by DTR 7.2.1 R. | ✓ | Provided in the Directors' Report, Accountability under 'Internal control and risk management' section. |
| The UK Corporate Governance Code – July 2018 | | | |
| | Chairmen are encouraged to report personally in their annual statements how the principles relating to the role and effectiveness of the board (in Sections 1 to 5 of the Code) have been applied. | ✓ | Provided in the Directors' Report, Chairman's Introduction. |
| 1. Board Leadership and Company Purpose | | | |
| Principles | | | |
| A | A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. | ✓ | 'Corporate Governance', 'Governance Framework'. |
| B | The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture. | ✓ | 'Corporate Governance', 'Governance Framework'. |

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| C | The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed. | ✓ | 'Internal control and risk management' section under Board Activities. Page 61 – s.172 |
| D | In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties. | ✓ | 'Engagement with employees' under 'Board Activities'; other stakeholders detailed under 'Board Activities' and 'Investor Engagement'. |
| E | The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern. | ✓ | 'Compliance, whistleblowing and fraud' under Board Activities; and Remuneration report. |
| Provisions | | | |
| 1 | The board should assess the basis on which the company generates and preserves value over the long-term. It should describe in the annual report how opportunities and risks to the future success of the business have been considered and addressed, the sustainability of the company's business model and how its governance contributes to the delivery of its strategy. | | Strategic Report. |
| 2 | The board should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the company's purpose, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any | | Chairmans Introduction; Board Activities; and Remuneration report. |

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| | action taken. In addition, it should include an explanation of the company's approach to investing in and rewarding its workforce. | | |
| 3 | In addition to formal general meetings, the chair should seek regular engagement with major shareholders in order to understand their views on governance and performance against the strategy. Committee chairs should seek engagement with shareholders on significant matters related to their areas of responsibility. The chair should ensure that the board as a whole has a clear understanding of the views of shareholders. | | Investor Engagement, and Remuneration report. |
| 4 | When 20 per cent or more of votes have been cast against the board recommendation for a resolution, the company should explain, when announcing voting results, what actions it intends to take to consult shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken should be published no later than six months after the shareholder meeting. The board should then provide a final summary in the annual report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the board has taken and any actions or resolutions now proposed. | | Noted – if receive 20% or more votes cast against a resolution, Intertek will take the necessary action against this provision. |
| 5 | <p>The board should understand the views of the company's other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 of the Companies Act 2006 have been considered in board discussions and decision-making.</p> <p>The board should keep engagement mechanisms under review so that they remain effective.</p> <p>For engagement with the workforce, one or a combination of the following methods should be used:</p> <ul style="list-style-type: none"> • a director appointed from the workforce; • a formal workforce advisory panel; • a designated non-executive director. <p>If the board has not chosen one or more of these methods, it should explain what</p> | | S.172 statement in Strategic report; Board Activities; and Engagement with employees. |

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| | alternative arrangements are in place and why it considers that they are effective. | | |
| 6 | There should be a means for the workforce to raise concerns in confidence and – if they wish – anonymously. The board should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action. | | Detailed under 'Internal controls and risk management' and 'Compliance, whistleblowing and fraud' under Board Activities. |
| 7 | The board should take action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensure that the influence of third parties does not compromise or override independent judgement. | | 'Directors' conflicts of interest' under Board Activities. |
| 8 | Where directors have concerns about the operation of the board or the management of the company that cannot be resolved, their concerns should be recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chair, for circulation to the board, if they have any such concerns. | | Board Activities. |
| 2. Division of responsibilities | | | |
| Principles | | | |
| F | The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information. | ✓ | Provided in the Directors' Report, Corporate Governance, 'Division of Responsibilities'. |
| G | The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business. | ✓ | Provided in the Directors' Report, Corporate Governance, 'Division of Responsibilities'. |
| H | Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. | | Provided in the Directors' Report, Corporate Governance, 'Division of Responsibilities'. |

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| 1 | The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently. | | Chairman's Introduction, under 'Performance Evaluation'. |
| Provisions | | | |
| 9 | The chair should be independent on appointment when assessed against the circumstances set out in Provision 10. The roles of chair and chief executive should not be exercised by the same individual. A chief executive should not become chair of the same company. If, exceptionally, this is proposed by the board, major shareholders should be consulted ahead of appointment. The board should set out its reasons to all shareholders at the time of the appointment and also publish these on the company website. | | The Chairman met the independence criteria upon appointment. Provided in the Directors' Report, Corporate Governance, 'Division of Responsibilities'. |
| 10 | <p>The board should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director:</p> <ul style="list-style-type: none"> • is or has been an employee of the company or group within the last five years; • has, or has had within the last three years, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company; • has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme; • has close family ties with any of the company's advisers, directors or senior employees; • holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; • represents a significant shareholder; or | | 'Independence' under 'Board Activities'. |

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| | <ul style="list-style-type: none"> • has served on the board for more than nine years from the date of their first appointment. <p>Where any of these or other relevant circumstances apply, and the board nonetheless considers that the non-executive director is independent, a clear explanation should be provided.</p> | | |
| 11 | At least half the board, excluding the chair, should be non-executive directors whom the board considers to be independent. | | Provided in the Directors' report under 'Board of Directors'. |
| 12 | The board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director, the non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary | | Directors' Report, Corporate Governance, 'Division of Responsibilities'. |
| 13 | Non-executive directors have a prime role in appointing and removing executive directors. Non-executive directors should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present. | | Directors' Report, Corporate Governance, 'Division of Responsibilities'. |
| 14 | The responsibilities of the chair, chief executive, senior independent director, board and committees should be clear, set out in writing, agreed by the board and made publicly available. The annual report should set out the number of meetings of the board and its committees, and the individual attendance by directors. | | Responsibilities outlined under Directors' Report, Corporate Governance, 'Division of Responsibilities'. In addition, letters of appointment of NEDs and service agreements for Executive Directors are available for inspection at the Company's registered office address and at the AGM. Terms of reference for each committee is publicly available |

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| | | | on the website, and additionally outlined in each committee report. Board meeting attendance – 'Board Activities'. Committee meeting attendance disclosed in each committee report. |
| 15 | When making new appointments, the board should take into account other demands on directors' time. Prior to appointment, significant commitments should be disclosed with an indication of the time involved. Additional external appointments should not be undertaken without prior approval of the board, with the reasons for permitting significant appointments explained in the annual report. Full-time executive directors should not take on more than one non-executive directorship in a FTSE 100 company or other significant appointment. | | Directors' report, Remuneration Committee Report, 'External appointments'. |
| 16 | All directors should have access to the advice of the company secretary, who is responsible for advising the board on all governance matters. Both the appointment and removal of the company secretary should be a matter for the whole board. | | Corporate Governance, 'Division of responsibilities'. |
| 3. Composition, succession and evaluation | | | |
| Principles | | | |
| J | Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. | ✓ | Nomination Committee Report |
| K | The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed. | ✓ | Nomination Committee Report |
| L | Annual evaluation of the board should consider its composition, diversity and how | | '2019 Internal Board and |

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| | effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. | | Committee evaluation' |
| Provisions | | | |
| 17 | The board should establish a nomination committee to lead the process for appointments, ensure plans are in place for orderly succession to both the board and senior management positions, and oversee the development of a diverse pipeline for succession. A majority of members of the committee should be independent non-executive directors. The chair of the board should not chair the committee when it is dealing with the appointment of their successor. | ✓ | Nomination Committee report. |
| 18 | All directors should be subject to annual re-election. The board should set out in the papers accompanying the resolutions to elect each director the specific reasons why their contribution is, and continues to be, important to the company's long-term sustainable success. | ✓ | Directors' Report, 'Board Reappointments'. Notice of AGM |
| 19 | The chair should not remain in post beyond nine years from the date of their first appointment to the board. To facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time, particularly in those cases where the chair was an existing non-executive director on appointment. A clear explanation should be provided. | ✓ | Tenure is outlined in the Nomination Committee report. |
| 20 | Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors. If an external search consultancy is engaged it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. | ✓ | This is disclosed as necessary. |
| 21 | There should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. The external evaluator should be identified in the annual report and a statement made about any other connection it has with the company or individual directors. | | Directors' Report, '2019 Internal Board and Committee evaluation'. |

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| 22 | The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified. | | Directors' Report, '2019 Internal Board and Committee evaluation'. |
| 23 | The annual report should describe the work of the nomination committee, including: <ul style="list-style-type: none"> • the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline; • how the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence board composition; • the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and • the gender balance of those in the senior management and their direct reports. | | Nomination Committee Report and '2019 Internal Board and Committee evaluation' under Board Activities. |
| 4. Audit. Risk and internal control | | | |
| Principles | | | |
| M | The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements. | ✓ | Provided in the Directors' report, Audit Committee report under 'Internal audit' and 'External auditor'. |
| N | The board should present a fair, balanced and understandable assessment of the company's position and prospects. | ✓ | Provided in the Directors' report, Audit Committee report, 'Fair, balanced and understandable assessment'. |
| O | The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives. | ✓ | Provided in the Directors report, Audit Committee, 'Internal control and risk management systems'. |

| PROVISION | REQUIREMENT | STATUS | INTERTEK'S POSITION/COMMENT |
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| Provisions | | | |
| 24 | <p>The board should establish an audit committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies, two. The chair of the board should not be a member. The board should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole shall have competence relevant to the sector in which the company operates.</p> | ✓ | <p>Provided in the Directors report, Audit Committee report, 'Committee composition'.</p> |
| 25 | <p>The main roles and responsibilities of the audit committee should include:</p> <ul style="list-style-type: none"> • monitoring the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance, and reviewing significant financial reporting judgements contained in them; • providing advice (where requested by the board) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy; • reviewing the company's internal financial controls and internal control and risk management systems, unless expressly addressed by a separate board risk committee composed of independent non-executive directors, or by the board itself; • monitoring and reviewing the effectiveness of the company's internal audit function or, where there is not one, considering annually whether there is a need for one and making a recommendation to the board; <p>conducting the tender process and making recommendations to the board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;</p> <ul style="list-style-type: none"> • reviewing and monitoring the external auditor's independence and objectivity; • reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements; • developing and implementing policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, | ✓ | <p>Provided in the Directors' report, Audit Committee report, 'Committee responsibilities and how we meet them in the year'.</p> |

| PROVISION | REQUIREMENT | STATUS | INTERTEK'S POSITION/COMMENT |
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| | <p>considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the board on any improvement or action required; and</p> <ul style="list-style-type: none"> reporting to the board on how it has discharged its responsibilities. | | |
| 26 | <p>The annual report should describe the work of the audit committee, including:</p> <ul style="list-style-type: none"> the significant issues that the audit committee considered relating to the financial statements, and how these issues were addressed; an explanation of how it has assessed the independence and effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor, information on the length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans; in the case of a board not accepting the audit committee's recommendation on the external auditor appointment, reappointment or removal, a statement from the audit committee explaining its recommendation and the reasons why the board has taken a different position (this should also be supplied in any papers recommending appointment or reappointment); where there is no internal audit function, an explanation for the absence, how internal assurance is achieved, and how this affects the work of external audit; and an explanation of how auditor independence and objectivity are safeguarded, if the external auditor provides non-audit services. | ✓ | <p>Provided in the Directors' report, Audit Committee report, 'Committee responsibilities and how we meet them in the year'.</p> |
| 27 | <p>The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy.</p> | ✓ | <p>Provided in the Directors' report, under the Statement of Directors' Responsibilities.</p> |
| 28 | <p>The board should carry out a robust assessment of the company's emerging and principal risks. The board should confirm in the annual report that it has completed this assessment, including a description of its principal risks, what procedures are in place</p> | ✓ | <p>Provided in the Directors' report, under Board Activities, 'Internal control and risk</p> |

| PROVISION | REQUIREMENT | STATUS | INTERTEK'S POSITION/COMMENT |
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| | to identify emerging risks, and an explanation of how these are being managed or mitigated. | | management.' Further detail provided in the Audit Committee report, under 'Internal control and risk management systems'. |
| 29 | The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. | | Provided in the Audit Committee report, under 'Internal control and risk management systems'. |
| 30 | In annual and half-yearly financial statements, the board should state whether it considers it appropriate to adopt the going concern basis of accounting in preparing them, and identify any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements. | | Provided in the Audit Committee report, under 'Going concern'. |
| 31 | Taking account of the company's current position and principal risks, the board should explain in the annual report how it has assessed the prospects of the company, over what period it has done so and why it considers that period to be appropriate. The board should state whether it has a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, drawing attention to any qualifications or assumptions as necessary. | | Provided in the Audit Committee report, under 'Going concern' and Viability Statement. |
| 5. Remuneration | | | |
| Principles | | | |
| P | Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy. | ✓ | Provided in the Directors' report, Remuneration Committee report, 'Policy review'. |

| PROVISION | REQUIREMENT | STATUS | INTERTEK'S POSITION/COMMENT |
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| Q | A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome. | ✓ | Provided in the Directors' report, Remuneration Committee report, Annual report on Remuneration, 'Committee membership and attendance'. |
| R | Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. | ✓ | Remuneration report. |
| Provisions | | | |
| 32 | The board should establish a remuneration committee of independent non-executive directors, with a minimum membership of three, or in the case of smaller companies, two. In addition, the chair of the board can only be a member if they were independent on appointment and cannot chair the committee. Before appointment as chair of the remuneration committee, the appointee should have served on a remuneration committee for at least 12 months. | ✓ | Provided in the Directors' report, Remuneration Committee report, Annual Report on Remuneration, 'Committee membership and attendance'. |
| 33 | The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management. It should review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration. | ✓ | Provided in the Directors' report, Remuneration Committee report, Annual Report on Remuneration, 'Committee responsibilities and how we meet them in the year' and 'Wider workforce remuneration'. |
| 34 | The remuneration of non-executive directors should be determined in accordance with the Articles of Association or, alternatively, by the board. Levels of remuneration for the chair and all non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for all non-executive directors should not include share options or other performance-related elements. | ✓ | |

| PROVISION | REQUIREMENT | STATUS | INTERTEK'S POSITION/COMMENT |
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| 35 | Where a remuneration consultant is appointed, this should be the responsibility of the remuneration committee. The consultant should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. Independent judgement should be exercised when evaluating the advice of external third parties and when receiving views from executive directors and senior management. | | Provided in the Directors' report, Remuneration Committee report, Annual Report on Remuneration, 'Advisors'. |
| 36 | Remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests. Share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The remuneration committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares | | Provided in the Directors' report, Remuneration Committee report, Annual Report on Remuneration, 'Post-Employment Shareholding'. |
| 37 | Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes. They should also include provisions that would enable the company to recover and/or withhold sums or share awards and specify the circumstances in which it would be appropriate to do so. | | Remuneration report, 'Malus and Clawback'. |
| 38 | Only basic salary should be pensionable. The pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce. The pension consequences and associated costs of basic salary increases and any other changes in pensionable remuneration, or contribution rates, particularly for directors close to retirement, should be carefully considered when compared with workforce arrangements. | | Provided in the Directors' report, Remuneration Committee report, Remuneration Policy for Directors. |
| 39 | Notice or contract periods should be one year or less. If it is necessary to offer longer periods to new directors recruited from outside the company, such periods should reduce to one year or less after the initial period. The remuneration committee should ensure compensation commitments in directors' terms of appointment do not reward poor performance. They should be robust in reducing compensation to reflect departing directors' obligations to mitigate loss. | | Provided under Directors' report, Corporate Governance, 'Service contracts for Executive Directors'. |

| PROVISION | REQUIREMENT | STATUS | INTERTEK'S POSITION/COMMENT |
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| 40 | <p>When determining executive director remuneration policy and practices, the remuneration committee should address the following:</p> <ul style="list-style-type: none"> • clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce; • simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand; • risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated; • predictability – the range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy; • proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance; and • alignment to culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy. | | Remuneration report |
| 41 | <p>There should be a description of the work of the remuneration committee in the annual report, including:</p> <ul style="list-style-type: none"> • an explanation of the strategic rationale for executive directors' remuneration policies, structures and any performance metrics; • reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps; • a description, with examples, of how the remuneration committee has addressed the factors in Provision 40; • whether the remuneration policy operated as intended in terms of company performance and quantum, and, if not, what changes are necessary; • what engagement has taken place with shareholders and the impact this has had on remuneration policy and outcomes; | | Remuneration report |

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| | <ul style="list-style-type: none">• what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy; and• to what extent discretion has been applied to remuneration outcomes and the reasons why. | | |

Schedule A: The design of performance-related remuneration for executive directors

Balance

The remuneration committee should determine an appropriate balance between fixed and performance-related, immediate and deferred remuneration. Performance conditions, including non-financial metrics where appropriate, should be relevant, stretching and designed to promote the long-term success of the company. Remuneration incentives should be compatible with risk policies and systems. Upper limits should be set and disclosed. The remuneration committee should consider whether the directors should be eligible for annual bonuses and/or benefits under long-term incentive schemes.

Share-based remuneration

Traditional share option schemes should be weighed against other kinds of long-term incentive scheme. Executive share options should not be offered at a discount save as permitted by the relevant provisions of the Listing Rules. Any new long-term incentive schemes which are proposed should be approved by shareholders and should preferably replace any existing schemes or, at least, form part of a well-considered overall plan incorporating existing schemes. The total rewards potentially available should not be excessive.

For share-based remuneration the remuneration committee should consider requiring directors to hold a minimum number of shares and to hold shares for a further period after vesting or exercise, including for a period after leaving the company, subject to the need to finance any costs of acquisition and associated tax liabilities. In normal circumstances, shares granted or other forms of deferred remuneration should not vest or be paid, and options should not be exercisable, in less than three years. Longer periods may be appropriate. Grants under executive share option and other long-term incentive schemes should normally be phased rather than awarded in one large block.

Pensions

In general, only basic salary should be pensionable. The remuneration committee should consider the pension consequences and associated costs to the company of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement.