

Appropriate governance and Board oversight of the Group's operations



David Wilton
Chair

“We outlined our five-year growth plan at our Capital Markets Day in November 2022 and we remain committed to ensuring an effective corporate governance regime in support of this five-year plan.”

Dear Shareholders,

I am delighted to introduce our Corporate Governance Report for the year ended 30 June 2024 on behalf of the Board. This section of our Annual Report outlines the approach we have adopted in voluntarily complying with the principles of the UK Corporate Governance Code (the Code) over the year as well as outlining improvements we have made in our governance structure, including strengthening the Board. We outlined our five-year growth plan at our Capital Markets Day in November 2022 and we remain committed to ensuring an effective corporate governance regime in support of this five-year plan.

Board effectiveness and enhancement

During the year, our Chair of 16 years, Richard Connell, stepped down due to ill health. Deborah Kemp as Senior Independent Director acted as Interim Chair whilst a recruitment process was conducted. Following this independent and rigorous process, supported by a leading third-party executive recruitment consultant, I was appointed to the position of Chair from 1 May 2024.

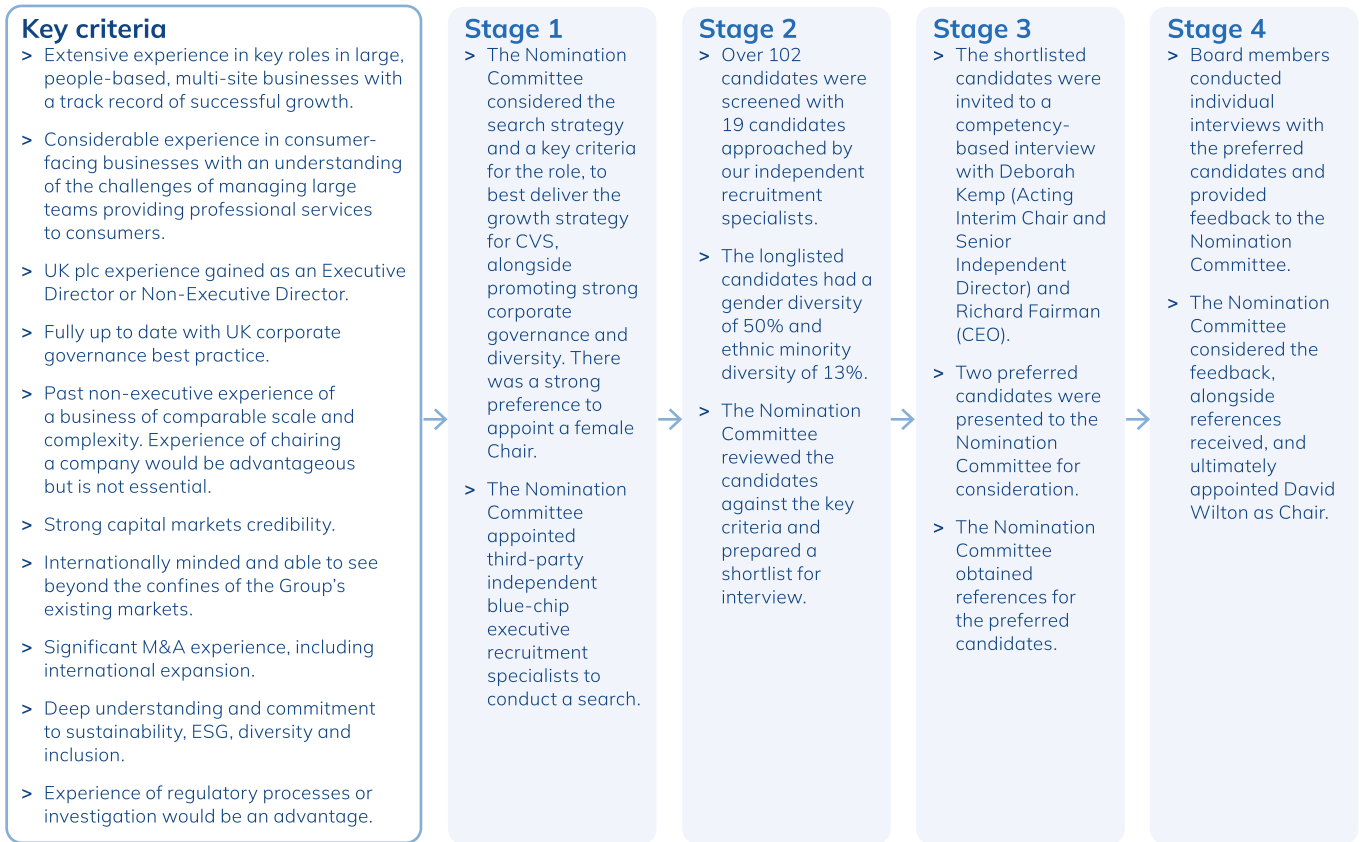
During the year, the Interim Chair conducted an internal evaluation to assess the effectiveness of the Board with input from our Company Secretary. On review of this work, I am satisfied that the Board remains effective in providing appropriate governance and control. We will continue to ensure sufficient time is set aside at Board meetings to review performance against our plans and to engage with the wider CVS employees. We held our annual CVS conference in November 2023 which was attended by the full Board, and this gave all Board members the opportunity to meet colleagues from all our business areas.

On 8 July 2024, Ben Jacklin resigned from the Board after a nine-year career at CVS to pursue new opportunities. We thank Ben for his contribution over his tenure.

On 25 July 2024, Paul Higgs, Chief Veterinary Officer, was promoted to the Board to recognise his outstanding contribution to clinical care within the Group. Paul, who has advised the Executive Committee since September 2022 on clinical matters, will now sit on the Executive Board and continue to lead the Group's clinical focus across the UK and Australia.

In addition, Joanne Shaw who joined the Board on 1 July 2023, was appointed Chair of the Audit Committee from 25 July 2024. Joanne, who qualified as a Chartered Accountant, has significant healthcare experience from a number of executive and non-executive roles.

Chair appointment process



Equity, Diversity and Inclusion

Our vision is to be the veterinary company people most want to work for – regardless of who they are, how they identify or their background. Our colleagues tell us that feeling included and able to be yourself is vital to feeling engaged and therefore we continue to foster an inclusive and equitable workplace environment alongside cultivating a “just culture”, with fairness, openness and learning, by helping people feel confident to speak up when things go wrong, rather than fearing blame.

More details about our people and culture is set out on pages 18 to 21.

Section 172 and Stakeholder Engagement

Myself and the Board have held a number of meetings over the course of the year with our institutional shareholders. These meetings are helpful in understanding their priorities and in discussing our strategic focus and capital allocation priorities and any key developments in the business.

CVS has built a strong corporate culture with a focus on providing great care to our clients and their animals; and in investing in and developing our people. We continue to invest in the development of our business and we remain focused on attracting and retaining the very best talent. The Board considers the interests of all stakeholders when taking decisions and we have set out some examples of how the Board has fulfilled its Section 172 duties and engaged with stakeholders during the course of the year on pages 28 to 31.

Sustainability

Over the course of the year, the Board has received an update from the CEO at each Board meeting, setting out the focus of our sustainability and ESG working groups and updating on our progress.

We are delighted to publish our 2024 Sustainability Report detailing the progress we are making and explaining how our ESG strategy is closely aligned to our purpose, vision and key strategic pillars.

We understand the importance of continued involvement in sustainability, recognising that no one can stand still. In light of this, I look forward to the outcome of our 2025 materiality assessment review to ensure we continue to focus on the material sustainability issues for our stakeholders.

Annual General Meeting (AGM)

We will hold our 2024 AGM on 20 November 2024 at 11:00 am. Full details, including the resolutions to be proposed to shareholders, will be set out in the Notice of AGM, which will be made available in the Investor Centre on our website.

Outcomes of the resolutions put to the AGM, including poll results detailing votes for, against and withheld, will be published on the Company's website and the London Stock Exchange once the AGM has concluded.

David Wilton
Chair
26 September 2024

Board of Directors and Company Secretary

Leading with experience

The Directors hold the necessary skills and experience relevant to the sector in which the Group operates, enabling the Board to effectively set the strategic direction and purpose of the Group and promote its long-term sustainable success.



David Wilton (61)
Chair

Appointed
Non-Executive Director:
September 2021
Chair: May 2024



Deborah Kemp (63)
Non-Executive Director

Appointed
January 2018



Richard Gray (67)
Non-Executive Director

Appointed
July 2020



Joanne Shaw (61)
Non-Executive Director

Appointed
July 2023



Career and experience

David is a qualified Chartered Accountant with more than 30 years' post-qualification experience as a Chief Financial Officer, Non-Executive Director (NED), Chair and consultant after many years in corporate finance, primarily in mid-cap M&A with Rothschild. David has held roles in both public and private equity backed companies including as Chief Financial Officer of Sumo Group plc, Group Finance Director of WYG plc and NED and Chair of the Audit Committee of Sweett Group plc. David was NED and subsequently Chair at Frontier Developments plc until November 2023.

Career and experience

Deborah has held a variety of Chief Executive Officer roles in the consumer and hospitality sector, including as a FTSE 100 main Board Director at Punch Taverns plc. Her career started at Bass plc as a Chartered Surveyor, subsequently holding key strategic roles in the evolution and growth of the Punch Taverns pub company. Following a period in private equity and a trade sale of Laurel Funerals, she is now a Director of Vennco Limited and a consultancy and interim specialist in the consumer-facing retail and hospitality sector, and assists multi-site businesses through growth, change and transformation. Deborah is the Senior Independent Director.

Career and experience

Richard is a career investment banker who has extensive capital markets and corporate finance experience. He is Chairman of CT Private Equity Trust PLC, a Non-Executive Director of Alpha Real Capital, Vice Chairman of Invescore Group and a Senior advisor to Zeus Capital. He has previously worked at Panmure Gordon, Lazard, Charterhouse and UBS.

Career and experience

Joanne Shaw has significant healthcare experience from her current roles as Trustee and Audit Committee Chair at Cancer Research UK, Chair at the Royal College of Paediatrics and Child Health and Deputy Chair at Vitality UK. She has held a number of previous non-executive roles over the past 17 years, including as Non-Executive Director and Chair of the Audit and Risk Committee at NHS England and the National Audit Office, Chair of NHS Direct, Non-Executive Director at Kensington and Chelsea Primary Care Trust and Chair of the British Equestrian Association. Joanne, a Chartered Accountant, was a former management consultant at Boston Consulting Group and has previous executive roles at the Medicines Partnership, the Audit Commission and Coopers and Lybrand.

Committee membership

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Chair of Committee

Essential skills and experience

- Strategy and leadership
- Brand and product development
- Operational expertise
- E-commerce, sales and marketing
- Technology development
- Risk management
- Financial
- Governance and legal
- Mergers and acquisitions
- Sustainability



Richard Fairman (57)
Chief Executive Officer

Appointed

Director: August 2018
Chief Financial Officer: October 2018
Chief Executive Officer:
November 2019



Robin Alfonso (45)
Chief Financial Officer

Appointed

November 2019



Paul Higgs (42)
Chief Veterinary Officer

Appointed

July 2024



Scott Morrison (54)
Company Secretary

Appointed

June 2023



Career and experience

Richard spent six and a half years at the RAC Group, including as Chief Financial Officer from 2016. Prior to this, Richard qualified as a Chartered Accountant at EY, later working at PwC, following which Richard held roles including Finance Director of Virgin Money, Chief Financial Officer of Central Trust and Finance Director of Virgin Money Giving.

Career and experience

Robin spent eight years at the RAC Group, initially as Group Financial Controller and then as Divisional Finance Director of its largest commercial division and profit centre, Consumer Roadside and Marketing. Prior to this, Robin qualified as a Chartered Accountant at PwC, following which he moved to Aviva where he performed a technical accounting role.

Career and experience

Paul is responsible for the clinical stewardship of all our veterinary practices across all our territories. He joined CVS in 2018 as Clinical Director of Highcroft Referrals, now Bristol Vet Specialists. Paul qualified from the University of Cambridge in 2006 and accredited as an RCVS recognised and EBVS® European Veterinary Specialist in Small Animal Internal Medicine in 2014. Paul is also a Fellow of the Royal College of Veterinary Surgeons and has previously held the post of Congress Chair at the British Small Animal Veterinary Association.

Career and experience

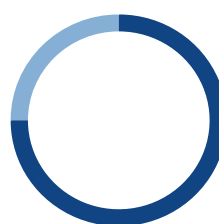
Scott qualified as a solicitor in 1998, working at Eversheds for some years before moving into in-house roles. Initially at Kwik-Fit as Legal Director, he later joined Craegmoor Group Limited (a healthcare business) as General Counsel and RAC Group where he had the role of General Counsel and Company Secretary.



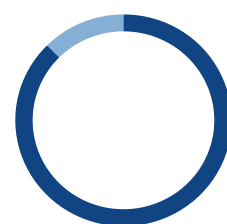
Read more about CVS within our Sustainability Report 2024 at cvsukltd.co.uk



Board gender diversity



Board ethnic diversity



Appropriate corporate governance in support of the Group's strategy



Scott Morrison
Company Secretary

This Corporate Governance Statement explains how the Company is managed, the roles of the Board, its Committees and Directors as well as the Group's compliance with the standards set out in the UK Corporate Governance Code 2018 (the Code) for the financial year ended 30 June 2024. For further information about the Code set by the Financial Reporting Council (the FRC), please visit the FRC's website at www.frc.org.uk.

During the year to 30 June 2024, the Company has fully complied with the principles set out in the Code throughout the financial year and up to the date of this Annual Report and Accounts. The Corporate Governance Report explains how the Company has applied the principles and provisions of the Code, and the guide below outlines where further information can be found within this report:

| | Principles | Disclosure in the 2024 Report |
|---|------------------|-------------------------------|
| Board leadership and Company purpose | A, B, C, D and E | Page 3 and pages 58 to 59 |
| Division of responsibilities | F, G, H and I | Pages 61 to 63 |
| Composition, succession and evaluation | J, K and L | Pages 70 to 73 |
| Audit, risk and internal control | M, N and O | Pages 67 to 69 |
| Remuneration | P, Q and R | Pages 74 to 84 |

Board activity during the financial year to 30 June 2024

| | |
|---|---|
| Strategy, business and operational performance | <ul style="list-style-type: none"> > Overseeing the development of the five-year strategic plan as communicated to shareholders at our November 2022 Capital Markets Day > Reviewing and monitoring the Group's performance against the targets set out in the annual budget and five-year plan > Reviewing and approving major investments in property, facilities, clinical equipment, acquisitions and strategic divestments > Monitoring trading and market conditions, competitor activity and regulatory requirements |
| Financial performance | <ul style="list-style-type: none"> > Receiving Audit Committee Reports on full and half year financial results > Reviewing and approving the Group's annual budget and five-year strategic plan > Reviewing regular in-year forecasts prepared > Considering the Company's dividend policy and approving the allocation of capital for investment > Reviewing capital allocation priorities |
| Risk management and internal control | <ul style="list-style-type: none"> > Review of the Group's risk register > Receiving reports from the Audit Committee on the effectiveness of internal controls > Liaising with KPMG as internal auditor and reviewing internal audit reports from KPMG > Receiving regular updates on legal and regulatory matters |
| Board and Committee governance | <ul style="list-style-type: none"> > Receiving reports from the three Board Committees > Reviewing terms of reference for Board Committees > Adopting the schedule of matters reserved to the Board > Receiving corporate governance updates > Conducting an annual review of Board effectiveness |

Our governance framework

The Group's governance framework includes a schedule of matters reserved to the Board and its Committees and clear terms of reference for each Committee. The Board has a delegated authority policy which ensures that decisions are made at the appropriate levels within the Group:



Corporate governance statement continued

Key elements of our culture

| Element | Overview | Board and Committee oversight |
|---|---|---|
| Leading by example | The Board sets the tone from the top. | The Directors, Executive Committee and Senior Leadership Group lead by example through informed decision making and ongoing management. |
| Performance metrics | The Board reviews a broad range of non-financial KPIs that support CVS culture, through strong colleague development and succession planning, along with a focus on benefits and rewards that incentivise our people. | The Board receives regular reports addressing a wide range of non-financial considerations to assist in its function of overseeing and monitoring our culture. These are monitored regularly at Board meetings. |
| Employee voice | We are committed to nurturing a culture where everyone can contribute and we prioritise engagement with colleagues. We have a “What matters to you” framework which is aimed at increasing colleague wellbeing. We host an annual conference where many colleagues from across the business can engage with others. We actively monitor colleague satisfaction through our employee Net Promoter Score which is updated monthly. There are appropriate whistleblowing processes in place which allow reporting of wrongdoing on an anonymous basis. | Results from ongoing colleague engagement are reported at the regular Board meetings. Non-Executive Directors attend the annual conference and also regularly meet with colleagues to discuss key issues. Any whistleblowing reports are reviewed by the Board. |
| Policies, pay, diversity and inclusion | <p>We provide competitive financial and non-financial rewards and we are committed to equal opportunities and equal pay to achieve an inclusive culture. Our policies and procedures also support this through, for example, a zero-tolerance policy towards abusive clients.</p> <p>We have an EDI working group and we have been awarded a “Disability Confident Committed” certificate reflecting our commitment to an accessible recruitment process, offering interviews to disabled people who meet minimum criteria for roles, anticipating reasonable adjustments and developing activities to make a difference for disabled people.</p> | The Board had led in its commitment to EDI and the Board considers reports on our ongoing sustainability and ESG initiatives at each meeting. |
| Risk management | Our internal controls and risk management systems are integral to the delivery of our strategy in a safe and sustainable way. They translate into our day-to-day risk culture. | The Audit Committee reviews internal controls and overall risk management including risk registers, as well as internal audit reports that are focused on risk management. |
| The way we do business | <p>We provide comprehensive policies, training and guidance to our colleagues, reflecting the standards we expect them to adhere to, to uphold our values.</p> <p>We engage with all our stakeholders, including industry bodies, suppliers and the wider community, to inform ethical decision making and to help foster a culture of honesty and integrity.</p> | Regular Board reporting includes updates on the wider veterinary community. Key policies are reserved for the Board’s approval. The Audit Committee receives updates on compliance with policies. |
| Health and safety | Our priority is to provide a safe and secure workplace for all, and we have a dedicated health and safety team along with policies and procedures in place to support this. We are committed to ongoing investment in our premises and facilities. | The Board monitors health and safety performance and considers any issues, such as any Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports, at meetings. |

Structure of the Board and Board Committees

At 30 June 2024, the Board of Directors consisted of six members, including four independent Non-Executive Directors, including our Chair. Ben Jacklin resigned from the position of Deputy CEO on 18 June 2024 and Paul Higgs was appointed as Chief Veterinary Officer (CVO) on 25 July 2024. The responsibilities of the Board members are set out in the chart below. The Board and its Committees have access to management and external advisors to assist them in discharging their duties. During the year ending 30 June 2024, the Board and Board Committees received sufficient, reliable and timely information in order for them to perform their responsibilities effectively.

Roles and responsibilities

There is a clear division of responsibilities between the Chair and the CEO, and all Board members have clearly defined roles and responsibilities as set out below. Board members have the range of skills and experience required to ensure the successful operation, growth and sustainability of the Group, as set out in their biographies on pages 58 and 59.

| Role | Name | Responsibility |
|------------------------------------|-----------------------------|---|
| Chair | David Wilton | > The Chair is responsible for leading the Board and for ensuring its overall effectiveness in directing the Company. The Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors. The Chair ensures that the Directors receive accurate, timely and clear information as well as overseeing the governance framework. |
| CEO | Richard Fairman | > The CEO is responsible for leading the Company's executives in managing the day-to-day operations of the Group. The CEO is accountable for and reports to the Board and is assisted in his role by the Group's Exco, all of whom report directly or indirectly to the CEO. |
| CFO | Robin Alfonso | > The CFO reports to the CEO and is responsible for the day-to-day management of the Group's finances, development and implementation of financial strategy as well as supporting the CEO with developing and implementing Group strategy. |
| CVO | Paul Higgs | > The CVO reports to the CEO and is responsible for clinical care alongside learning, education and development. The CVO works with our veterinary regulators and provides essential specialised information to the board of the veterinary industry. |
| Senior Independent Director | Deborah Kemp | > The Senior Independent Director (SID) provides advice and additional support and experience to the Chair. |
| Non-Executive Directors | Richard Gray Joanne Shaw | > Non-Executive Directors provide constructive challenge, strategic guidance and specialist advice as well as holding management to account and being available to work with the Chair to resolve any contentious issues. |
| Company Secretary | Scott Morrison | > The Company Secretary acts as Secretary to the Board and its Committees and is responsible for ensuring that the Board has the policies, processes, information, time and resources it needs in order to function effectively and efficiently as well as supporting the Chair in developing and overseeing the governance framework. |

In light of Richard Connell's resignation as Chair and Director of the Company on 27 October 2023 due to ill health, David Wilton was appointed Chair on 1 May 2024. Deborah Kemp served as Interim Chair for the period from 27 October 2023 until David's appointment. Deborah Kemp has returned to her previous position as Senior Independent Director and Chair of the Remuneration Committee.

Corporate governance statement continued

Board and Committee meeting attendance

The Board met formally ten times in the financial year ended 30 June 2024 with meetings planned around key events in the corporate calendar including interim results, full year results and the Annual General Meeting (AGM). The Non-Executive Directors confirm that they have sufficient time to devote in order to effectively discharge their Board responsibilities. In addition to the scheduled Board meetings and other Committee meetings, the Non-Executive Directors make themselves available for ad-hoc meetings and Board calls to receive regular updates and to deal with specific projects or matters arising throughout the year.

The Chair and Non-Executive Directors meet from time to time as appropriate without the Executive Directors present as well as meeting with the external auditor at least annually without the Executive Directors present.

The table below sets out attendance at Board meetings during the financial year ended 30 June 2024.

| | Board | Audit Committee | Nomination Committee | Remuneration Committee |
|---------------------------|-------|-----------------|----------------------|------------------------|
| Number of meetings | 10 | 3 | 4 | 4 |
| R Connell | 2 | 1* | 1* | 2* |
| D Wilton | 10 | 3 | 4 | 4 |
| D Kemp | 10 | 3 | 4 | 4 |
| R Gray | 10 | 3 | 4 | 4 |
| J Shaw | 10 | 3 | 4 | 3 |
| R Fairman | 10 | 3* | 4* | 3* |
| R Alfonso | 10 | 3* | 4* | 3* |
| B Jacklin | 10 | 3* | 3* | 2* |
| P Higgs | — | — | — | — |

* In attendance by invitation of the respective Committee.

Richard Connell resigned as a Director on 27 October 2023 due to ill health and hence attended all Board meetings up until that date, and did not attend any Board meetings after such date in the year ended 30 June 2024.

Paul Higgs was appointed as a Director on 25 July 2024 and hence did not attend any Board meetings in the year ended 30 June 2024.

Board processes and effectiveness

The Board maintains a formal schedule of matters reserved for its approval which includes matters of strategy, structure and capital, financial reporting and internal controls, major contracts, Board membership, remuneration, delegation of authority and corporate governance. Matters that fall outside of those reserved to the Board or its Committees fall within the responsibility and authority of the CEO, CFO and the CVO and are either reserved to them or delegated further through the Group's delegated authorities policy.

Board and Committee papers are circulated well in advance of meetings and Directors have access to a Board portal containing Board packs and reference materials from previous meetings as well as all Board policies and procedures. In addition to formally scheduled meetings, the Chair maintains regular contact with the Non-Executive Directors, CEO, CFO, CVO and Company Secretary in performing his duties leading the Board.

In light of the Company's AIM listing and regular Board meetings, the Board does not believe external evaluation of the Board to be appropriate. During December 2023, the Interim Chair, assisted by the Company Secretary, carried out an internal review of Board effectiveness which included a review of the information provided to the Board, the composition of the Board, the decision-making processes and the Board's annual agenda.

Outcomes from the Board effectiveness review:

- > Board papers to be condensed wherever possible to focus on key issues, and summaries to be added highlighting key matters seeking approval at each meeting;
- > consideration to be given to scope to invite external experts to particular Board meetings where beneficial in providing strategic input to debate; and
- > the corporate calendar to be revised to reduce the number of Board meetings in the calendar year from eleven to eight, to be consistent with the Articles of Association.

Board composition

The Nomination Committee will continue to regularly review the diversity of the Board, the Executive Committee and the Senior Leadership Group. The Board is considered to have an appropriate mix of skills, experience and tenure. The Board believes that appointments should be made solely on merit, an ethos which applies across the business. The Board continues to ensure that it maintains an appropriate balance through a diverse mix of experience, background, skill, knowledge and insight. Further information on Board diversity is detailed on page 59.

Board induction and training

New Directors appointed to the Board undertake an induction programme to assist in developing their understanding and awareness of the business, its governance framework, employees and Group policies and procedures. Induction training is tailored to suit the requirements of each new Director and includes site visits to practices around the Group, meetings with the heads of Group functions and one-on-one meetings with fellow Board members, Executive Committee members and the Company's external advisors in addition to being provided with details of the Group's policies and procedures.

New Board members also receive appropriate training on the AIM and Market Abuse Regulations delivered by the Company's Nominated Advisor or external legal counsel.

Independence

David Wilton, Deborah Kemp, Richard Gray and Joanne Shaw are all considered to be independent by the Board.

All Directors will offer themselves for re-election at the 2024 AGM of the Company.

Relations with shareholders

Copies of the Annual Report and Financial Statements are issued to all shareholders where requested and copies are available on the Group's website <https://www.cvsuktd.co.uk/investor-centre/results-and-reports/>. The Group also uses its website to provide information to shareholders and other interested parties. The Company deals with shareholder correspondence as and when it arises throughout the year.

The CEO, Deputy CEO (until resignation) and CFO have regular meetings with institutional investors, private client brokers, individual shareholders, fund managers and analysts to discuss information made public by the Group.

The Chair and the Non-Executive Directors are always available to shareholders on all matters relating to governance and strategy. They may be contacted through the Company Secretary by email at company.secretary@cvs vets.com.

Shareholder engagement

There has been considerable engagement with institutional and retail investors during the year ended 30 June 2024 including:

| |
|---|
| July 2023 |
| > Trading update |
| September 2023 |
| > Full year results presentation |
| > Annual Report and Accounts published |
| > London investor roadshow |
| October 2023 |
| > Peel Hunt Annual Investor Conference |
| > Liberum Healthcare Conference |
| > Private client fund manager roadshow |
| November 2023 |
| > CVS Group Conference |
| > Investec UK CEO Conference |
| > Jefferies Healthcare Conference |
| > Trading update |
| > Annual General Meeting |
| December 2023 |
| > Berenberg European Conference |
| January 2024 |
| > Trading update |
| February 2024 |
| > Half year results presentation |
| > London investor roadshow |
| March 2024 |
| > London investor roadshow |
| > US and Canada investor roadshow |
| > Berenberg UK Corporate Conference |
| April 2024 |
| > Davy-Peel Hunt UK and Ireland Equity Ideas Conference |
| June 2024 |
| > Peel Hunt FTSE 250 Conference |

The Audit Committee

David Wilton chaired the Committee throughout the year under review and stood down on 25 July 2024. David has a wealth of experience in senior finance roles, including in listed companies. Deborah Kemp, Richard Gray and Joanne Shaw were members of the Committee during the year with Joanne appointed Chair of the Committee on 25 July 2024.

The Board considers that the members of the Audit Committee have recent and relevant financial expertise, and that the Committee as a whole has competence relevant to the sector in which the Company operates.

The Audit Committee's duties primarily concern financial reporting, internal control and risk management systems, whistleblowing procedures and internal audit and external audit arrangements (including auditor independence).

The Audit Committee Report can be found on pages 67 to 69.

The Nomination Committee

Richard Gray chaired the Nomination Committee throughout the year under review. Deborah Kemp, Joanne Shaw and David Wilton were members of the Committee during the year.

The Nomination Committee is responsible for reviewing the structure, size and composition, including skills, independence, knowledge and experience of the Board. It is also responsible for the co-ordination of the annual evaluation of the performance of the Board and of its Committees, and for ensuring appropriate succession plans are in place. Given the size of the Group and the Company's AIM listing, the Board does not believe external evaluation of the Board to be appropriate. All Directors engage in the internal evaluation and appropriate action is taken in light of the assessment.

The Committee is responsible for making recommendations to the Board on all Board appointments and on the succession plans for both Executive Directors and Non-Executive Directors.

The Nomination Committee Report can be found on pages 70 to 73.

The Remuneration Committee

Deborah Kemp chaired the Remuneration Committee throughout the year under review. Richard Gray, Joanne Shaw and David Wilton were members of the Committee during the year.

The Remuneration Committee has delegated responsibility for designing and determining remuneration for the Chair, Executive Directors and for the next level of senior management, as well as the Company Secretary.

The Chair of the Board, CEO, Deputy CEO (until resignation) and CFO were invited to attend meetings as appropriate but do not participate in discussions relating to their own remuneration.

The Remuneration Committee Report can be found on pages 74 to 84.

Management Committees

In addition to the Board Committees, the Group has a number of Management Committees to help support the Executive Committee in the implementation of strategy and risk and governance oversight across their respective divisions.

Corporate governance statement continued

Management Committees continued

- > Acquisitions Committee
- > Capital Expenditure Committee
- > Healthy and Safety Committee
- > Clinical Advisory Committee
- > Sustainability Committee

The Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are complied with, advising the Board on all governance matters, supporting the Chair and helping the Board and its Committees to function efficiently. All Directors have access to the advice of the Company Secretary.

Scott Morrison was Company Secretary throughout the year under review.

Annual General Meeting (AGM) 2023 – voting results

In the 2023 result of AGM announcement, the Board of CVS noted that all the resolutions had been passed with the requisite majority. During the course of the year, the Board of Directors has continued to actively engage with shareholders and to discuss and consider their feedback.

Whistleblowing

The Group's whistleblowing policy is reviewed by the Board annually. The policy sets out the procedures for employees or third parties to raise concerns about any suspected wrongdoing. Employees also have access to a wide range of alternative and informal routes through which to raise concerns. This reflects the open culture and strong internal communication channels of the Group, in line with our strategy, and supports the formal whistleblowing policy we have in place.

The Board receives any whistleblowing reports at each Board meeting and will receive more detailed reports of any investigations that may take place. There were no major issues reported to the Board under the whistleblowing policy during the year.

Audit, risk and internal control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness on an ongoing basis.

The system is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key risk management processes and internal control procedures include the following:

- > the close involvement of the Executive Directors in all aspects of the day-to-day operations, including regular meetings with senior colleagues from across the Group and a review of the monthly operational reports compiled by senior management;
- > clearly defined responsibilities and limits of authority. The Board has responsibility for strategy and has adopted a schedule of matters which are required to be brought to it for decision;

- > a comprehensive system of financial reporting, forecasting and budgeting. Detailed budgets are prepared annually for all parts of the business. Reviews occur through the management structure culminating in a Group budget which is considered and approved by the Board. Group management accounts are prepared monthly and submitted to the Board for review. Variances from the budget and the prior year are closely monitored and explanations are provided for significant variances. Independent of the budget process, the Board regularly reviews revised profit, cash flow and bank covenant compliance forecasts which are updated to reflect actual performance trends;
- > a continuous process for identifying, evaluating and managing significant risks across the Group together with a comprehensive annual review of risks which covers both financial and non-financial areas;
- > an independent internal audit function provided by KPMG that reports to the Chair of the Audit Committee;
- > a central team that checks clinical and health and safety compliance in all parts of the Group; and
- > the Company's Delegation of Financial Authority.

The Board is committed to maintaining high standards of business conduct and ethics, and has an ongoing process for identifying, evaluating and managing any significant risks in this regard.

The internal control procedures are delegated to the Executive Directors and senior management and are reviewed in light of the ongoing assessment of the Group's significant risks.

Remuneration

The Board considers that policies on executive remuneration should be transparent. They should be implemented in a manner which supports strategy and promotes long-term sustainable growth. In addition, remuneration should reflect both the performance of the Company as well as individuals. The Board has delegated to the Remuneration Committee responsibility for complying with these aspects of the Code and the work of the Committee is reported in full on pages 74 to 84 of this Annual Report. The Group's remuneration policies are fully in compliance with the principles and provisions of the Code save for pensions alignment per provision 38 as disclosed on page 78.

Annual General Meeting (AGM)

The Annual General Meeting of the Company will take place on 20 November 2024. Full details of resolutions to be proposed to our shareholders will be set out in the Notice of AGM which will be made available in the Investor Centre on our website.

Outcomes of the resolutions put to the AGM, including poll results detailing votes for, against and withheld, will be published on the website of the Company and the London Stock Exchange once the AGM has concluded.

By order of the Board

Scott Morrison
Company Secretary
26 September 2024