

CORPORATE GOVERNANCE STATEMENT

Newbury Racecourse is committed to maintaining the highest standards of Corporate Governance throughout its operations and to ensure all of its practices are conducted transparently, ethically and efficiently. Having previously been CEO of a large listed business, as Chairman of the Company I am fully aware of the need, particularly in these uncertain times, for an effective and focused Board that leads the business and responds accordingly. The Board believes in the value and importance of strong corporate governance, at executive level and throughout the operation of the business, and in our accountability to all stakeholders. We believe that in scrutinising all aspects of our business and reflecting, analysing and improving its procedures this will result in the continued success of the Company and deliver value to shareholders.

Therefore, and in accordance with the AQSE Rules requirements, the Company has chosen to formalise its governance policies by adopting the UK's Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). The Directors believe that the QCA Code is the most appropriate governance code for the Company.

The QCA Code has 10 broad principles and a set of disclosures. The Directors have considered how we apply each principle to the extent we judge to be appropriate in the circumstances and in the statements that follow, we explain our approach to governance and how the Board and its Committees operate.

I am committed to working with the Board to build upon the existing values that are in place and ensure that good corporate governance continues to be embraced within the organisation.

The Board currently consists of 10 Directors:

- Dominic Burke – Board Chairman and Nominations Committee Chair
- John Dodds – Senior Independent Director and Remuneration Committee Chair
- Bryan Burrough – Non-Executive Director and Audit & Risk Committee Chair
- Madeleine Lloyd Webber – Non-Executive Director (Non Independent)
- Erik Penser – Non-Executive Director (Non Independent)
- Harry Herbert – Non-Executive Director
- Jim McGrath – Non-Executive Director
- Matthew Thompson – Non-Executive Director
- Julian Thick – Chief Executive Officer
- Mark Leigh – Finance Director & Company Secretary

Dominic Burke
Chairman

DELIVER GROWTH

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

The Company is a horse racecourse business established in 1904 with the first horse race taking place one year later. It currently operates 28 racedays per year for fixtures which we own, as well as

additional racedays as allocated by the British Horseracing Authority. These racedays occur all year round and include both Flat (17) and National Hunt (11) racing fixtures. For the past [ten] years we have added music concerts to two or three of these racedays during the summer months to improve the profitability of these events through increased admission sales and hospitality income.

In addition to this core business we operate a thriving Conference & Events business, a children's nursery and a 36-bedroom hotel which all provide the benefit of securing income outside of racing, especially on days when the facility would otherwise not be utilised.

In 2012 the Company entered into an agreement with the housing developer David Wilson Homes to sell some land around the racecourse for residential housing. The final development will consist of c1,500 homes, in a mixture of apartments and houses, when fully completed in 2025. The income from this transaction has enabled the Company to re-invest in the existing facilities and it is widely considered that we have now created a first-class racing and leisure destination boasting the largest conference and events facility in West Berkshire but with horse racing remaining at the core of our operations.

The Board remains committed to continued long-term investment in the business and has a rolling strategy, reviewed annually, to maximise the benefits of the existing facilities as well as consideration for new investments and commercial arrangements. The long-term ambition is for the business to provide a sustainable return from our investments which will enable us to both continually re-invest in improving our facilities and generate improved profits as well as deliver a return to shareholders.

The promotion of long term shareholder value is underpinned by the Board's commitment to act with integrity; be consistently open and ethical in its dealings with all stakeholders; provide fair and objective reporting and seek to ensure that the Company's strategy, business model and performance are clearly communicated and understood. The Directors believe the best way to achieve this is through inclusion of relevant information in the half year and full year reports to shareholders, as well as through additional update announcements as required. The Directors believe that the Board's values of integrity and transparency protect the Company from unnecessary risks and will secure the Company's long term future.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to providing clear and transparent information on the Company's activities, strategy, performance, and financial position to its shareholders.

The Directors are committed to communicating with shareholders through the Annual Report and Financial Statements, Preliminary and Interim results announcements and the Annual General Meeting ("AGM") held at the Racecourse with all Directors and the company Executive team in attendance. Shareholders are encouraged to participate in the AGM and the number of votes received for each resolution announced at the AGM followed by a market release of the AGM results.

Details of all shareholder communications are available on both the Company's website and the Aquis Exchange dedicated Newbury Racecourse webpage.

Shareholders are able to contact the Company directly through the Company Secretary, Marketing and Communications Director or the Personal Assistant to the CEO. All of whom can manage an appropriate response.

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

The Board works closely with the Executive team with clear and open communication both within the boardroom and the rest of the organisation.

Shareholders

The Directors value the feedback they receive from the Company's shareholders and take every opportunity to ensure that the comments of shareholders are considered. Shareholders are entitled to entry to the racecourse to attend fixtures depending on their total shareholding (see point 10).

Employees

The Company currently has approx. 80 permanent salaried employees and operates an inclusive policy where employees' opinions and suggestions are listened to and valued at regular staff forums. The Company does not, however, currently conduct an annual employee engagement survey.

Suppliers

The Company has a number of suppliers and maintains a close working relationship with them. Many of them choose to sponsor specific races and enjoy hospitality at the racecourse so are kept fully engaged with the business.

Customers

The Company has a range of customers including racegoers, large & small corporate businesses, nursery parents, hotel guests etc and it is always our firm belief that they are all treated equally and with respect. Their opinions on the service that we provide and that they receive are crucial to the success of a customer service led industry within which we operate. Therefore, we continually monitor feedback from the various customer groups and regularly respond to ensure we are providing a service at a standard expected and ideally beyond.

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

The Board is responsible for establishing and maintaining internal controls within the Company which are designed to address the particular risks to the Company and mitigate risks to which it is exposed.

The Key elements of the internal controls are:

- The Board commits to meeting four times per year (usually April, June, September and December) for Board meetings plus a further Strategy Meeting (February). An agenda and full board pack are circulated in advance of each meeting and minutes are prepared, agreed and distributed immediately after.
- The Company has information systems for monitoring its financial performance against targets and prior year results.
- The Board monitors the performance of the Company at each Board meeting against a set of agreed measures.
- The Board has an established Audit and Risk Committee which meets on the same frequency as the Board meetings above. Additionally, if desired, it will meet with the external auditors at least once per year without the Executive Directors present.

- The Company, due to its size, does not at this stage consider it appropriate to have an internal audit function.

The principal risks and uncertainties faced by the Company are contained in the Strategic Report of the Annual Report, which is available on the Company's website.

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

5. Maintain the Board as a well-functioning, balanced team led by the Non-Executive Chairman

The Board comprises ten Directors: two Executive Directors, a non-Executive Chairman and seven Non-Executive Directors. The Chairman has a casting vote at meetings of the Board (unless he is not entitled to vote on the matter in question).

- Julian Thick, Chief Executive Officer, is expected to devote substantially the whole of his time to his duties for the proper performance of the Company. Julian has held similar positions within the racing industry throughout his career.
- Mark Leigh, Finance Director, is expected to devote substantially the whole of his time to his duties for the proper performance of the Company. Mark has held senior finance positions within leisure organisations for a number of years.
- Dominic Burke is the non-Executive Chairman as well as Chair of the Nominations Committee, and currently holds 3.8% of the company shares. Dominic is currently Vice Chairman of MMC and was previously CEO of JLT plc for 13 years. He is a keen owner and breeder of horses in training and member of the Jockey Club.
- John Dodds is the Senior Independent Director and Chair of the Remuneration Committee. John was employed by Kier Group plc for 40 years culminating in the position of Chief Executive. He has extensive experience in the construction and housebuilding sector.
- Madeleine Lloyd Webber is a Non-Executive Director who currently holds 9.5% of the Company's shares (and therefore not independent). Madeleine is Director and Deputy Chairman of the Really Useful Group and LW theatres and is a member of the Jockey Club.
- Erik Penser is a Non-Executive Director who currently holds 40.9% of the Company's shares (and therefore not independent). Erik is the owner of a Swedish bank and has been owning and breeding racehorses for almost forty years. He is a member of the Jockey Club.
- Bryan Burrough is a Non-Executive Director and Chair of the Audit & Risk Committee. Bryan was Managing Director of Black Rock and subsequently Investment Director at Investec. He is also the owner of racehorses.
- Jim McGrath is a Non-Executive Director. Jim has worked in horseracing his entire career, holding various positions at Timeform during a 34-year career and subsequently providing expert analysis for television broadcasts.
- Harry Herbert is a Non-Executive Director. Harry is Chairman and Managing Director of Highclere Thoroughbred Racing and has enjoyed many racing successes. He is a member of the Jockey Club.
- Matthew Thompson is a Non-Executive Director. Matthew is currently Managing Director of the leading hospitality company, Benugo, having previously held senior positions at other similar UK catering & hospitality businesses.

- All the above Non-Executive Directors receive a standard annual Director fee and devote such time as is necessary for the proper performance of their respective duties to the Company.

The Chairman and Non-Executive directors are considered by the Directors to be independent (except those noted) under the QCA Code's guidance for determining such independence. As referenced in Part 7, a number of the Directors have a substantial length of service whilst still being considered independent. The Company is satisfied that their value to the business and external interests qualifies them as independent.

For the Board to discharge its duties it has access to all relevant information in a timely manner and meets on the basis set out below. The Directors are expected to dedicate sufficient time to their commitments in order to carry out their responsibilities effectively, which includes attendance at all meetings.

The Board is supported by Audit and Risk, Remuneration and Nominations Committees (all of which have Terms of Reference) and the Directors consider that the members of those Committees have the necessary skills, knowledge and experience to discharge their responsibilities effectively.

Due to the Coronavirus pandemic the Board held weekly meetings via video conference starting on Monday 6th April 2020. Approximately 18 of these were held in addition to the normal standard annual timetable of 4 Board meetings plus 1 Strategy Day:

- Board Strategy Day – February
- Board meeting (including Financial Statements approval) – Late April/Early May
- Board meeting (same day as the Annual General Meeting) – Late May/Early June
- Board meeting - September
- Board meeting - December

Rolling attendance at the 2020/21 Board meetings as follows:

Board Member	2 nd June 2021	29 th April 2021	10 th March 2021	10 th Feb 2021	14 th Dec 2020	26 th Oct 2020	13 th Oct 2020	16 th Sept 2020
Meeting Type	Standard	Standard	Additional	Strategy	Standard	Additional	Additional	Standard
Dominic Burke	✓	✓	✓	✓	✓	✓	✓	✓
John Dodds	✓	✓	✓	✓	✓	✓	✓	✓
Bryan Burrough	✓	✓	✓	✓	✓	✓	✓	✓
Madeleine Lloyd-Webber	✓	✓	✓	✓	✓	✓	✓	✓
Erik Penser	✓	✓	✓	✓	✓	✓	✓	✓
Jim McGrath	✓	✓	✓	✓	✓	✓	✓	✓
Harry Herbert	✓	✓	✓	✓	✓	✓	✓	✓
Matthew Thompson	✓	x	✓	✓	✓	✓	✓	✓
Julian Thick	✓	✓	✓	✓	✓	✓	✓	✓
Mark Leigh	✓	✓	✓	✓	✓	✓	✓	✓

The Directors who serve on the Committees as follows:

	Remuneration Committee	Audit and Risk Committee	Nominations Committee
Chair	John Dodds	Bryan Burrough	Dominic Burke

Member	Madeleine Lloyd-Webber	Dominic Burke	Madeleine Lloyd-Webber
Member	Bryan Burrough	John Dodds	Erik Penser
In attendance	Julian Thick	Julian Thick	Julian Thick
In attendance	Mark Leigh	Mark Leigh	Mark Leigh

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

- The Newbury Board comprises experienced Executive and Non-Executive Directors.
- Executive Directors are experienced in their management disciplines; Julian Thick has spent almost 30 years in the horse racing industry across various organisations. Mark Leigh is a qualified accountant with over 25 years of experience within commercial businesses.
- Non-Executive Directors are from outside businesses and very experienced in advising and supporting a variety of public and private companies. This provides the ideal combination for the multi-business requirements within which the company operates.
- Directors' biographies are set out in Part 5 of this document. The Board includes significant horse racing, property development, hospitality and catering experience, which ensures that expertise is provided in all areas to support the long-term interest of the business.
- Company Secretarial is the responsibility of Mark Leigh, the Finance Director.
- All Directors are encouraged to maintain individual continuing professional development programmes where appropriate.
- The Board is supported where necessary by its external advisers who are currently:
 - Corporate Advisers – Allenby Capital (approved by AQUIS) <http://www.allenbycapital.com/>
 - Solicitors – Pinsent Masons <https://www.pinsentmasons.com/>
 - Registrars – Link Group <https://www.linkgroup.com/>
 - Independent External Auditors - BDO <https://www.bdo.co.uk/>
 - Tax and Business Advice – Deloitte <https://www2.deloitte.com/uk>
- The Board routinely reviews the performance of third-party advisers to ensure that they are the most effective business partners for the Company.

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

The Chairman reviews the contribution of each Board member on an on-going basis, both individually and in relation to the performance of the Company as a whole. These reviews consider the individual contribution; whether they are carrying out their responsibilities effectively and to the highest standard; and where relevant, whether they have maintained their independence.

Annual performance, salary, bonus and incentive plan reviews are carried out by the Remuneration Committee.

The balance of the Board, both in terms of number, experience and split between Executive and Non-Executive is formally assessed on an annual basis. Each Non-Executive receives the same annual Directors fee for their service to the Company with the Chairman receiving a higher sum.

The Non-Executives have rolling 3-year agreements which have been updated in 2021 and reviewed by our Solicitors. All Non-Executives have signed these updated versions in June 2021 with the renewal dates as follows (coinciding with their rotation at the Annual General Meeting):

Non-Executive Director	Original Appointment	Renewal Date
Harry Herbert	2005	2024
Jim McGrath	2014	2024
Matthew Thompson	2018	2024
Erik Penser	1998	2023
Dominic Burke	2010	2023
Madeleine Lloyd-Webber	1998	2022
John Dodds	2010	2022
Bryan Burrough	2018	2022

The Board are comfortable that the combination of experience, expertise and length of service provides the Company with the ideal foundation to support an effective business. Succession planning is discussed on a routine basis and there is sufficient scope within the Board that the Company is not reliant on any single individual.

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

The Company promotes honesty and integrity in all its dealings.

The Directors are mindful of the main industry in which the Company operates and takes all issues of ethical behaviour seriously, particularly in relation to animal welfare and gambling. All Directors are required to complete a British Horseracing Authority Suitability Questionnaire as part of the Company's Racecourse Licence requirements.

The Directors are also mindful of the childcare industry in which the Nursery is regulated and ensure compliance and a zero-tolerance policy with regards to values within this operation.

The Board has a series of matters reserved for discussion and has approved Terms of Reference for the Audit & Risk, Remuneration and Nominations Committees.

Other documentation in place and strictly complied with includes:

- Director's Share Dealing Policy
- Director's Independence Policy
- Director's Obligations to Compliance for AQUIS trading
- Director's Conflict of Interest Questionnaire
- Anti-Corruption Policy
- Bribery Prevention Policy

The Executive team promote the 'Uniquely Newbury' employee engagement programme which underpins the behaviours expected of all staff working within the business. This is reviewed routinely and the Board support this with their own approach to the business. The main focus is to

promote a culture whereby customers are the key to the decision-making as they ultimately drive the success of the company. The slogan for this programme is “Engage, Excite, Enthuse, Delight”.

9. Maintaining governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board is responsible to shareholders for the proper and effective management of the Company.

Given the scale of the Company the Directors consider the current size, constitution and experience of the Board is appropriate.

The Company has an Articles of Association in place, last reviewed and updated in 2008, which it strictly adheres to when making governance decisions.

The Board is responsible for, but not limited to:

- Setting the overall strategy
- Approving annual budgets
- Approving the half year and full year financial results
- Approving the dividend policy
- Approving the board structure
- Approving major investment expenditure
- Approving resolutions to be put to shareholders at General Meetings

The following governance committees have been established to assist the Board in fulfilling its oversight responsibilities.

Audit and Risk Committee: Responsibilities comprise the reviewing and monitoring the integrity of the financial statements; the system of internal controls and risk management, the attitude towards risk and how risk is reported as well as the reviewing the audit process and liaison with the external auditors.

Remuneration Committee: Responsibilities comprise determining and agreeing with the Board the framework and policy for the remuneration of the Chairman, Non-Executive and Executive Directors.

Nominations Committee: Responsible for regular review of the structure, size and composition of the Board, succession planning and identifying candidates for any Executive or Board vacancies. While Dominic Burke chairing the committee at the same time as being chairman of the Company may not be compliant with the QCA Code, the Directors consider this appropriate for the Company in view of his extensive boardroom and senior management experience.

Each of the Committees comprises only Non-Executive Directors, with both the Executive Directors sitting in attendance.

BUILD TRUST

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is open to dialogue with its shareholders and welcomes interaction.

In order to provide engagement between the shareholders and the business operation, shareholders are entitled to be in attendance at race meetings as follows each year:

No. of Shares	Shareholder Benefit
Over 10,000	2 badges (unlimited raceday attendance)
5,000 to 9,999	1 badge (unlimited raceday attendance)
101 to 4,999	2 day badges (specific to a chosen raceday)

The Directors are committed to ensuring that:

- The Company's contact details are included on the website.
- The website contains relevant information on the Company (including historical financial statements and other governance related material) and is updated on a regular basis.
- The contact details of the Chief Executive Officer, Marketing & Communications Director, Corporate Advisers and Public Relations firm are contained on all market announcements.
- The outcome of all shareholder votes will be reported on the website in a clear and transparent manner.
- All regulatory reporting requirements are posted on the website, and where compliance with FCA reporting is required, the necessary submissions are made in a timely manner.

All Shareholders are encouraged to attend the Annual General Meeting, which is held at the racecourse with a lunch/refreshments provided and the opportunity to mix informally with the Directors.

The Directors acknowledge the importance of high standards of corporate governance and the Company has adopted the QCA Code. The QCA Code sets out a standard of minimum best practice for small and mid-size quoted companies, particularly Aquis companies.

The Board comprises ten Directors, two of whom are Executive Directors and eight of whom are Non-Executive Directors, reflecting a blend of skills, experiences and backgrounds. The Directors consider that six Non-Executive Directors are independent having taken into account their shareholdings (where relevant), length of service and their separation from the day-to-day running of the business and/or involvement with other businesses. Two Non-Executives are considered to be non-independent due to their respective 9.5% and 40.9% shareholdings.

The Board meets regularly to review, formulate and approve the Company's strategy, budgets, corporate actions and oversee the Company's progress towards its goals.

The Company has established properly constituted Audit and Risk; Remuneration and Nominations Committees of the Board with formally delegated duties and responsibilities, a summary of which is set out below.

Audit and Risk Committee

The Audit and Risk Committee comprises Bryan Burrough, Dominic Burke and John Dodds with Bryan Burrough as Chair of the Committee. The Audit and Risk Committee formally plans to meet 4 times per year but will convene as often as required on other matters.

The Audit and Risk Committee's main functions include:

- Reviewing the effectiveness of internal control systems and assessing risk.
- Making recommendations to the Board in relation to the appointment of the Company's auditors.
- Determining the auditors remuneration in consultation with the Board.
- Monitoring and reviewing annually the auditors independence, objectivity, effectiveness and qualifications.
- Monitoring the integrity of the financial statements of the Company including its annual and interim reports, preliminary results' announcements and any other financial information provided to Shareholders.
- Overseeing the Company's relationship with the external auditors as a whole and also to consider the nature, scope and results of the auditors' work through reviews.
- Compliance with legal requirements, accounting standards and the relevant provisions of the AQUIS Rules for Companies and ensuring that an effective system of internal financial and non-financial controls is maintained.

The ultimate responsibility for reviewing and approving the Annual Report and Financial Statements will remain with the Board. The membership of the Audit and Risk Committee and its terms of reference is reviewed on an annual basis.

Remuneration Committee

The Remuneration Committee comprises John Dodds, Bryan Burrough and Madeleine Lloyd-Webber with John Dodds as Chair of the Committee. The Remuneration Committee formally plans to meet 4 times per year but will convene as often as required on other matters.

The Remuneration Committee's main functions includes:

- Determining and agreeing with the Board the Director's fees payable to the Company's Chairman and Non-Executive Directors, as well as the remuneration for the Executive Directors.
- Determining and approving targets for any performance related pay schemes operated by the Company and approving the total annual payments made under such schemes.
- Reviewing long-term incentive plans for approval by the Board together with determining each year whether awards will be made. Approving the overall amount of such awards, the individual awards to Executive Directors and other Senior Management and the performance targets to be used.
- Determining and approving the annual salary increases for all staff along with bonuses and incentive payments.

Nominations Committee

The Nominations Committee comprises Dominic Burke, Erik Penser and Madeleine Lloyd-Webber with Dominic Burke as Chair of the Committee. The Nominations Committee formally plans to meet once per year but will convene as often as required on other matters.

The Nominations Committee main functions include:

- Leading the process for Board appointments (including Executives) and make recommendations to the Board.
- Regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations with regard to any changes.