

Statement of Compliance with the QCA Corporate Governance Code

The Directors recognise the importance of sound corporate governance and intend to comply with the Corporate Governance Guidelines, to the extent appropriate for a company of its nature and size.

Changes to corporate governance regime

The Group adopted the Quoted Companies Alliance (QCA) Corporate Governance Code ("Code") following the changes to the AIM Rules for Companies implemented in September 2018. We will provide annual updates on our compliance with the Code. Set out below is how we comply with the Code:

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

The Group owns and operates mid-priced pan-Asian and "pizza, pasta, grill" restaurants throughout the UK. Our objectives are to provide an excellent customer experience and thereby nurture and develop our brands through our branches to promote long term value for our shareholders.

The Group is constantly strengthening its operating model and over the last few years has increased the delivery offering and avenues of delivery. The challenge over the last year has been to manage the cost pressures.

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

An open dialogue with shareholders is important to the Group. At both the Group's AGM and separate meetings with institutional shareholders following the publication of the Group's year-end and half-yearly results, the Group seeks to engage with shareholders to better understand their concerns and objectives. Feedback following these meetings is reviewed and analysed by the Board.

The AGM is led by the Chairman, Keith Lassman, and the full Board attends. Individual investor meetings are generally attended by the CEO and the CFO.

The results of the AGM are announced to the market and uploaded to the Group's website (www.dimt.co.uk/investor-relations).

The point of contact for shareholder liaison is:

Jonny Plant, Chief Executive Officer

Tel: 020 7637 1166

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

The Group recognises the importance of good relations with stakeholders, both internal and external and we strive to improve and develop this. Feedback on how we perform as a Group and how we can improve is the key to its success.

Customers

We have invested in systems which gives us access to customer feedback on a daily basis and allow us to harness the opinions of thousands of customers each month. Using this information, we learn about our customers and what they enjoy about our restaurants, food and their dining out experience. We will continue to leverage this improved knowledge to test menu development, promotional activity and continue to build loyalty to the brands.

Consumer tastes and habits are continually changing and the ability to keep pace with the demands of the consumer is integral to long term growth. The Group has invested in increasing the level of feedback received from customers using several channels, including mini wi-fi surveys in-store, a detailed customer feedback system and technology to collate online opinions. The Group has increased social media and marketing engagement and continually reviews ways of improving customer engagement. Offering new menu items on our menu is a key focus as well as adapting to trends.

Employees

We are still overcoming the long-term effects of the pandemic and we are working with an increasingly younger talent pool coupled with noticeable shifts identified in the needs and expectations of both current and prospective employees. We remain fully committed and invested in updating our core processes and this has been at the forefront of our people strategy.

Retention of employees is still very much an industry-wide challenge, with transient workers who are generally prepared to readily move jobs. However, despite pay being a highly sensitive factor, we have seen a large return of previous employees and a significant contingent of loyal committed employees remaining with the business who are happy with the career and development opportunities we offer.

Our Manager and Christmas Roadshows include team building exercises and celebrations in order to bring together the wider team away from their individual sites and ensure greater engagement and understanding of our new menus and the Christmas offer.

We constantly strive to look after the mental health and wellbeing of our colleagues. Our approach is to put people first by engaging more frequently with the teams and efficiently monitoring and tracking time off and annual leave. We have also rolled out a new internal communication platform which allows our colleagues to properly disconnect when not at work.

Training and development

Towards the end of 2022 an ambitious people strategy was put together with a complete “root and branch” overhaul of our job designs, induction, training and review processes. The Company handbook is to be updated and modernised and this will join a collection of specific job role training manuals.

Continual professional development is supported and encouraged at every level. Part of our CPD commitment is to deliver accredited food safety and health and safety training to the management team and we are looking forward to being able to run our face-to-face workshops once again.

In 2023, we plan to launch our Wildwood and dim t strategies which encompass our customer service journey through to our colleagues’ performance review. It is an exciting and ambitious project where we will be outlining standards, creating benchmarks and setting goals and objectives throughout the business. In addition to this, our operations’ team will be embarking on a tailor-made training course which will equip our people with new skills, knowledge and confidence to work ahead of the changing workforce demographic. A large focus will be placed on understanding our colleagues, and identifying their key drivers, motivators and dissuaders.

In addition, we follow a review, refresh, relaunch approach with our E learning platform ‘Flow’ and with this we have seen our 100% completion targets gap close. 2023 will see us exploring alternative E-learning platforms as we are keen to ensure the training approach is more in line with the learning styles of the shifting demographic of our colleagues.

Diversity

We continue to work to create and maintain a caring and open environment. Our recruitment practices are designed to be bias-free and to attract as wide an applicant base as possible.

For our Gender Pay Gap ("GPG") figures for 2022, we reported on a smaller number of "full-pay relevant employees" ("FPE") at 934 employees of the 1,016 "relevant employees" ("RE"). The FPE accounted for 92%.

Our median GPG is 14.30% which shows a decline on our 2021 figure of 2.6%.

We are delighted that we have almost achieved a 51:49 female/male split of the FPE. Of our management teams, including restaurant and central, 53% are female.

We are focused on offering flexible working and contracts to attract a broader and more diverse workforce. We are not complacent, and rigorous pay review, reward and recruitment processes are in place to ensure we are doing all we can to eliminate any gender pay gaps.

In addition, we continue to have the privilege of having a highly diverse workforce. This allows us to make sure we can attract the most talented employees regardless of background. This includes applications from disabled persons which are given full consideration providing the disability does not seriously affect the performance of their duties. Such persons, once employed, are given appropriate training and equal opportunities.

As well as equality and diversity training being a mandatory course for all general managers on our e-learning platform, we are also rolling out face-to-face training on these important topics.

Communication

We believe having open two-way communication lines between leadership and the team, is key to our success. We have implemented communication structures that allow us to consult with our team and effect change more effectively and efficiently within our restaurants. This also increases the availability of feedback to the leadership team. In addition, weekly newsletters are shared with all restaurants which allows us to update on all changes, share best practice, celebrate success, advertise internal vacancies and highlight learning and development opportunities for our managers and teams.

Modern day slavery

As part of our Company mission to "Do the Right Thing for our People, Customers and Suppliers" we oppose modern slavery in all its forms and will try to prevent it by any means that we can. We expect anyone who has any suspicions of modern slavery in our business or our supply chain to raise their concerns with us without delay.

We are committed to conducting our business activities with integrity and holding ourselves to a high ethical standard. To this end we have implemented an Anti-Slavery policy which will be reviewed annually. Our policy is available on the Wildwood website: <https://wildwoodrestaurants.co.uk/terms/>. This policy aims to minimise the risk of modern-day slavery within our restaurants or our extensive supply chain.

Suppliers

We have built up a close relationship with most of our suppliers over a number of years and have a good understanding of our mutual business needs. Over the last 12 months we have seen inflationary

increases as a directly result of utility increases and shortages caused by the war in Ukraine. These increases seem to have stabilised for now.

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

Audit, risk and internal control financial and non-financial controls

The Board has overall accountability for ensuring that risk is effectively managed across the Group and the Audit Committee has responsibility for reviewing the effectiveness of the Group's risk processes. The Board has overall responsibility for the Group's policies and procedures and for ensuring that they are in line with regulations and are sufficiently robust to ensure appropriate internal controls are maintained, while also providing a suitable framework within which the Group's function can operate.

The Group, in common with all businesses, could be affected by risks and uncertainties that may have a material effect on its business operations and achieving its strategic objectives including its business model, future performance, solvency or liquidity. Similarly, the risk management process and systems of internal control are designed to manage rather than eliminate the risk of failures to achieve the Group's objectives. Where possible, the Group seeks to mitigate these risks through these internal controls, but this can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Group has established internal financial controls, the effectiveness of which is regularly reviewed by the executive Board and the Audit Committee, in light of an ongoing assessment of significant risks facing the Group.

The Directors utilise a large number of detailed performance indicators to manage the business.

- The Board is responsible for reviewing and approving overall Group strategy, approving budgets, plans and capital expenditure, and for determining the financial structure of the Group including treasury, tax and dividend policy (if applicable). Weekly and monthly results and variances from plans and forecasts are reviewed by the Board.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper financial controls. The Board liaises with the Group's auditors in respect of both the half-yearly and year-end results and has a committee call once a year.
- Procedures are in place for budgeting and planning, for monitoring and reporting to the Board business performance against those weekly and monthly budgets and plans, and for forecasting expected performance over the remainder of the financial period. These cover profits, cash flows, capital expenditure and balance sheets. Weekly and monthly results are reported against budget and compared with prior periods, and forecasts for the current financial year are regularly revised in light of actual performance. Both weekly and daily figures are circulated to the Board.

The Group also has in place other internal controls which are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- close management of the day-to-day activities of the Group by the Executive Directors;
- a structure with defined levels of responsibility, which promotes decision-making and rapid implementation while minimising risks;

- central control over key areas such as capital expenditure authorisation and banking facilities; and
- whilst there is no dedicated control manager there are clearly defined roles, responsibilities and practices to ensure that compliance is adhered to.

The Group continues to review its system of internal controls to ensure compliance with best practice, while also having regard to its size and the resources available. They also investigate any significant breaches of control and recommend how to prevent such breaches in future. As part of the Group's review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, risk management, business continuity and corporate social responsibility (including ethical trading, supplier standards, environmental concerns and employment diversity) have been assessed. The key elements of those non-financial controls are set out below.

Standards and policies

The Board is committed to maintaining appropriate standards for all the Group's business activities and ensuring that these standards are set out in written policies.

Approval process

All material contracts are required to be reviewed and signed by a Director of the Group and, where necessary, legal advice is obtained.

Re-assessment

The Group has business continuity plans to address key risks that have an immediate impact. Risks facing the business are re-assessed, and potential mitigating actions are considered and implemented to help protect against those risks.

Code of Conduct

Our Code of Conduct includes guidance on anything that is considered inappropriate; (including business integrity, anti-bribery, gifts, bullying, discrimination and racism) they are sent to everyone in the Group and are visible in all workplaces.

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

The Board comprises a Non-Executive Chairman, Keith Lassman, one Executive Director, Jonny Plant, and two Non-Executive Director, Wendy Dixon and Harald Samúelsson. From 1 April 2023, Harald Samúelsson has reverted to his previous position as an independent non-executive Director.

All Directors are encouraged to use their independent judgement and challenge all matters, whether strategic or operational. Generally, regular board meetings are held monthly, with supplementary board meetings, for example, for approvals. In 2022 we had 13 regular board calls/meetings, and in 2023 we plan to continue monthly meetings. The Board meetings were attended by the full Board. The Board is fully committed to Tasty plc and each member will contribute hours as required. The Board meetings shown below include regular meetings and not special meetings.

Attendance by directors	Board meetings 2022
Keith Lassman	13
Daniel Jonathan Plant	13
Mayuri Vachhani	13
Harald Samúelsson	13
Wendy Dixon (appointed 22 June 2022)	6

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of its directors' other commitments and interests, and changes to these commitments and interests are reported to and, where appropriate, disclosed to and agreed with the rest of the Board.

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

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the food and beverage sector. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports weekly and monthly on its headline performance against its agreed budget. The Board reviews the weekly and monthly updates on performance, and any significant variances are examined at each meeting.

The Board ensures that they are kept up to date of industry developments, changes and new legislation through news updates and training where necessary.

The Company's Articles of Association require that one-third of the Directors must retire and, if desired, may stand for re-election by shareholders annually in rotation; and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

Independent advice

All Directors are able to take independent professional advice in respect of their duties at the Group's expense. In addition, the Directors have direct access to the advice and services of the Group's legal and accounting advisers, and the Nominated Adviser. Advice is also extended to experts on complex legal matters.

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

Due to the relatively small size of the Group and the Board, there is no formal process to assess the performance of each Board member. However, on an ongoing basis through regular meetings there is an opportunity to discuss development and training needs. Also, as part of this ongoing process the following is reviewed:

- their contribution is relevant and effective;
- that they are committed; and
- where relevant, they have maintained their independence.

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

The Board aims to lead by example and do what is in the best interests of the Group. The culture of the Group is to go the extra mile for customers, suppliers, shareholders and people. In order to grow our customer base, it is vital that all our employees act in a way that reflects the values of the business. Examples of this are:

- supporting local communities events;
- supporting NHS local hospitals and armed forces; and
- group participation in many charitable events.

We have stopped using plastic straws and committed to a policy recommended by the Humane League.

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

Board programme

The Board meets monthly, and prior to the meeting sets an agenda, agreed by all members for discussion at the meeting. Additional meetings are convened should the need arise. Board packs are provided in advance of each meeting to allow time for review beforehand and subsequent discussion at the meeting. Minutes are taken at the meeting to record discussions, actions and resolutions.

Roles of the Board, Chairman and Chief Executive Officer

The Board, which from 1 April 2023, comprises a Non-executive Chairman, one Executive Director and two Non-executive Directors, is responsible for the long-term success of the Group. The Board is responsible for overall Group strategy; approval of major investments; approval of the annual and interim results; annual budgets and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of the Group's branches, their annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Group. The Chairman is responsible for running the business of the Board and for implementing and monitoring corporate governance structures and processes. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Group through the team.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports weekly and monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. The Chief Executive officer has weekly meetings and conference calls with the area managers and department heads.

Board committees

The Board is supported by the Audit and Remuneration Committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Group, to enable the committee to discharge its duties.

The Audit and Remuneration Committees comprise two of the Non-executive Directors and are chaired by the Chairman. Other Directors are invited to attend as appropriate and only if they do not have a conflict of interest. The Audit and Remuneration Committees' members meet as required.

The Audit Committee receives, and reviews reports from management and the auditors relating to the annual and interim accounts and the accounting and internal control systems used by the Group. The Group last tendered the audit in 2019 and Haysmacintyre LLP were appointed to replace the previous auditors. The external auditors may perform certain non-audit services for the Group. Any such non-audit services require pre-approval by the Audit Committee and are only permitted to the extent allowed by relevant laws and regulations. Full details of the auditor's remuneration are shown in note 4 to the Financial Statements.

The Audit Committee has primary responsibility for ensuring that the financial performance of the Group is properly measured and reported on. The Audit Committee receives, and reviews reports from the Group's management and auditor relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee meets once a year or more at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Audit Committee has unrestricted access to the Group's auditor. The principal areas of focus during the year included the following items:

- review of the Annual Report and financial statements.
- approval of the management representation letter.
- review of the auditors' fees and engagement letter. The Audit Committee met with the external auditors to review their Audit Plan, their report and significant findings arising during the audit.

The Remuneration Committee's principal responsibility is to review the scale and structure of the Executive Directors remuneration and the terms of their service contracts. The Audit Committee receives, and reviews reports from management and the auditors relating to the annual and interim accounts and the accounting and internal control systems used by the Group.

The Remuneration Committee intends that its policy and practice should align with and support the implementation of the Group's strategy and effective risk management for the long term. The policy is intended to motivate the right behaviours and to ensure that any risk created by the remuneration structure is acceptable to the Remuneration Committee and within the risk appetite of the Board and its strategy.

The Remuneration Committee considers the expectation of shareholders when setting pay structure and incentive policies. The Committee also considers whether the remuneration package should consist of fixed and variable pay elements.

Principle 10: Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting ("AGM") and one-to-one meetings with significant existing or potential new shareholders.

The Board receives regular updates on the views of shareholders through briefings and reports from the Group's brokers. The Group meets with institutional investors following the half-yearly and year-end results.

Where a significant proportion of votes (e.g. 20% of independent votes) have been cast against a resolution at any general meeting, the Group will on a timely basis, include an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

For all historical annual reports and other governance-related material including notices of all general meetings over the last five years please refer to our website <https://dimt.co.uk/investor-relations/profile/>.