

**BUSINESS DESCRIPTION**

Updated in January 2026

James Halstead plc is a group of companies involved in the manufacture and supply of flooring for commercial and domestic purposes based in Bury UK. James Halstead plc is listed on the AIM market of the London Stock Exchange.

The Group was established in 1914 and continues to operate out of the original premises in Bury.

In its factories in Bury and Teesside it manufactures resilient flooring for distribution in the UK and worldwide.

It also sources other flooring products, in particular Luxury Vinyl Tiles and rubber flooring from other key partners manufacturing on the group's behalf.

The key brands the Group operates under are Polyflor, Objectflor and Expona. There are other brands that the Group operates under that are more regionally based or territory specific.

It utilises a global distribution chain for export. Parts of this network are controlled by the Group, in particular, Western Europe, Australia, New Zealand, Canada and India.

The Group employs approximately 830 staff worldwide, the majority of which are located in the UK.

James Halstead plc's strategy is designed to enhance the brand identity thereby generating and enhancing goodwill and customer satisfaction with the aim of continued repeat business. This approach is designed to increase revenue and consequently profitability and cash flow to enable the continuation of dividends thereby creating shareholder wealth. As a manufacturer our supply is in bulk to distributors responsible for regional / local delivery by key to the company ethos is not to delegate the presentation of product to stockists but rather to have dedicated sales personnel to present the product to end users and specifiers.

Details of the Group's financial performance can be found in the Financial Reports section of this website.

## DIRECTORS AND COMMITTEES

**Chairman's introduction to governance**

The board has over many years recognised its responsibility towards good corporate governance. It is part of our character and, I believe, contributes to our ability to deliver long-term shareholder value. The Financial Reporting Council and the Quoted Company alliance have both issued guidance on governance and having assessed these Codes we have aligned our approach to the latter. In many ways this is a continuing process but in the following paragraphs we outline how we effect this Code, and I trust our shareholders will take the time to review our comments.

It is my belief that good governance is accountability to shareholders as a whole over time rather than being swayed by current short-term objectives of individual holders. For many companies some shareholders are transient and focus short term, looking for ambitious acquisitions or risky strategies and yet quick to exit at the first sign of problems. Management needs to be focused on the medium to long term goals as much as current issues.

Mark Halstead  
Executive Chairman

**Introduction**

The Company is controlled by the board of directors. The board consists of two executive directors, a senior independent director and three non-executive directors.

The board has three sub committees, an audit committee, nomination committee, and a remuneration committee.

The directors are named below along with their membership of board committees.

	Role	Remuneration Committee	Audit Committee	Nomination Committee
Mr Russell Whiting	Senior Independent Director	X	X	X
Mr Michael Halstead	Non-executive Director	X	X	X
Mrs Deborah Harrison	Non-executive Director	X	X	X
Mr Mark Halstead	Executive Director			X
Mr Gordon Oliver	Executive Director			X
Mr David Drillingcourt	Executive Director			X

**The Board**

The role of the board is summarised as follows:

- To establish and maintain the group's vision, mission, and values.
- Decide on the current and future strategy to ensure the group's longevity.
- To delegate to management the implementation of policies, strategies and business plans while ensuring the framework of internal controls is effective.
- Account to shareholders and stakeholders to promote their interests and the goodwill to the group.

## DIRECTORS AND COMMITTEES

The board comprises three executive directors and three non-executive directors. The roles of chairman and chief executive are separated.

**Directors*****Mr Mark Halstead – Executive Chairman***

Mr Halstead has over 30 years' experience in the group holding senior management positions within Polyflor prior to his appointment as group chief executive in 2002. Having gained his grounding in many aspects of the group's flooring activities Mr Halstead focused on exports and founded our operations in Europe. He brings unparalleled knowledge of the group's activities, the products and positioning in markets and experience to allow for the assessment of future opportunities for the group both in commercial terms and product related. A key responsibility of the Chairman is to lead the board effectively and to oversee the adoption, delivery, and communication of the company's corporate governance model. The Chairman also ensures that the board receives accurate, timely and clear information and that there should be good information flows within the board and its committees as well as between the NEDs and senior management.

***Mr Gordon Oliver – Chief Executive***

Mr Oliver is a Chartered Accountant. He trained with KPMG and held a number of financial positions in industry prior to joining James Halstead in 1987 as Group Financial Controller. He was instrumental in the disposal of non-core businesses in the UK and overseas and became finance director of the group in 1999. He brings knowledge of financial management and control, corporate governance, and business acumen to the business as well as development of future strategy arising from a long period as a member of the board. During his time with the company Mr Oliver's standing has been recognised by several awards from his peers and the financial press. Mr Oliver is tasked with the delivery of the business model agreed within the strategy set by the board.

***Mr David Drillingcourt – Finance Director***

Mr Drillingcourt is a Chartered Accountant, training with KPMG before joining the Company in 1996 as Group Accountant. He served as Finance Director at Phoenix Distribution NW Ltd (1999-2005) and Polyflor Limited (2005-2013), before his appointment as Company Secretary in April 2013. In April 2019 was appointed as Corporate Development Director which entailed working closely with the Board and subsidiary directors to support the growth of the business across the globe. His extensive knowledge of the Company and his flooring industry experience will play an important role in supporting the board in its strategic aim of growing the global footprint of the business in the future. Mr Drillingcourt was appointed to the Board of James Halstead plc as an executive director in January 2024 and as finance director in December 2024. Mr Drillingcourt is tasked with working closely with the Chief Executive to progress the business and to have regard to mitigation of risk. In addition, a key role is integrity of the financial information and communicating to the board the financial implications of areas of subjective judgement.

***Mr Michael Halstead – non-executive director***

Mr Halstead was appointed to the board in 2017. He has many years' experience in the advertising industry having been an account director for Saatchi and Saatchi and more recently running his own company HH&S Group Limited. He brings general business acumen to the board along with specifics relating to marketing and public relations arising from his background. Mr Halstead provides oversight and scrutiny of the performance of the executive directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, communicates, and executes the agreed strategy and operates with

reference to the risk management framework. Mr Halstead is in the 4<sup>th</sup> generation after the founder and has never worked within the business but is passionate to preserve the principles of the company and to contribute its continued success.

***Mr Russell Whiting – senior independent director***

Mr Whiting was appointed to the board in 2017. He is a local businessman and is director of a company involved in leasing of assets, Associated Credits Holdings Ltd. As well as general business acumen he brings specific understanding of business and asset financing to a broad range of commercial enterprises. He has known the group for a number of years through his business. Mr Whiting possesses the critical skills that are relevant to modern companies, which includes both technical experience and the ability to positively challenge and to listen in equal measure.

***Mrs Deborah Harrison – non-executive director***

Mrs Harrison was appointed to the Board in 2024 and is a Chartered Accountant. She trained with PKF and has over 30 years' experience of providing auditing and accounting services to both public and private sector companies. As well as bringing her experience of working with a wide range of organisations and sectors, she has significant experience of dealing with international groups of companies and a broad experience of group restructuring including mergers, acquisitions, and disposals. Her knowledge of both UK and International Financial Reporting Standards and Corporate reporting requirements will further enhance to the Board's financial expertise.

## CORPORATE GOVERNANCE

**The Quoted Company Alliance Code (“QCA code”)**

The Directors recognise the importance of good corporate governance and have chosen to apply the QCA code as their framework to do so. The QCA code was developed by the Quoted Company Alliance in consultation with a number of institutional small company investors as an alternative code applicable to AIM companies. The new QCA code was introduced in November 2023, and which became effective for the Company to report against in the financial year ended 30<sup>th</sup> of June 2025.

The QCA code sets out ten principles which seek to ensure that the overall framework for corporate governance is robust. The directors believe that this framework is appropriate to the size and operations of the business and each of the principles is commented on below. Many of the disclosures relevant to the code are already made in our annual report and accounts.

The Chairman has the responsibility for corporate governance and has taken a lead on this matter. The executive team are directed with day-to-day management and are accountable to the rest of the board. The chairman expects and demands open discussion of issues facing the business and in the application of this code has sought input from the auditors, the company’s advisors and a review by the company lawyer. The board is tasked with continuing the success of the business over time and through successive generations of management and the importance of corporate governance is to oversee the division of ownership and stewardship. The executive directors have the day-to-day responsibility of stewardship, and the chairman and non-executives monitor and evaluate this on behalf of the owners.

James Halstead plc has been listed on the London stock exchange for over 75 years and continues to look for growth in sales and profit to continue its strong record of reward to shareholders in the form of dividend. Whilst this is a primary role, the board is proud of its reputation within its industry, and the financial markets and corporate control is central to the ethos.

The disclosures below were last reviewed and approved by the board on 29 September 2025.

Below are the QCA Code 10 Principles and explains how James Halstead plc has complied with each:

**1. Establish a purpose, strategy and business model which promote long-term value for shareholders.**

James Halstead plc’s strategy is explained fully within our Strategic Report section in our Annual Report and Accounts.

The strategy is focussed on stable profitable growth from building the goodwill in the brands and products and is intended to deliver shareholder value in the medium to long-term.

The identification of key risks and the mitigating factors to our business are also detailed in the Strategic Report section of the Annual Report and Accounts.

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

The Board expects the highest ethical standards of its members and management across the group.

The Group has documented procedures with respect to its responsibilities regarding ethical behaviour, including code of conduct, bribery and corrupt practices, equal opportunities, diversity, responsible sourcing, whistleblowing, and modern slavery. These are applicable across its operations including supply and customer chains.

The Board also takes seriously its responsibilities towards sustainability of its operations and the impact of our operations on the environment. This is documented and reported on annually in Polyflor’s Sustainability Report.

As an employer, and member of many communities throughout the world, the board consider that strong ethical values are important in order to be a good member of these communities, and this is a

mindset not one underpinned by rules and procedures. Ensuring, via recruitment processes and cultural values, that these values cascade through the business is critical to ensuring the group is a “good member of the community”. All directors of the Group’s companies are expected to comply and are well acquainted in the procedures and expectations. This covers authority levels and gives guidance on appropriate behaviour.

Ultimately service contracts underpin this by indicating behaviour that can be deemed a breach of contract, and the directors are clear about their statutory duties as formally set out in sections 171 – 177 of the Companies Act 2006.

### **3. Seek to understand and meet shareholder needs and expectations.**

The Board has a track record of increasing dividends over many years. Where the business has generated funds in excess of its medium-term requirements and no specific investment requirements exist, the Board has also encouraged the payment of special dividends over the years.

Members of the Board talk regularly to both institutional and private investors and the financial press to ensure that company’s strategy and objectives are communicated. The Group has a large number of shareholders and regular broker updates are published.

The company regularly hosts institutions and broker site visits to update of progress. In addition, the Executive Directors host meetings electronically and personally, at their place of business, with investors and brokers. The Executive Directors are in ongoing contact with the nominated advisors who communicate more closely with the market.

Shareholders can contact the Company Secretary with questions which may be referred to the Directors. The senior independent director is available to shareholders, if they have concerns that have not been resolved through the normal channels of contact with the chairman or chief executive.

In addition, the AGM acts as a forum for all shareholders to meet with the Board personally and raise any questions they may have.

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

The Board recognises that the Group has responsibilities to many stakeholders other than its shareholders, and these include employees, customers, suppliers and the wider societies in which we operate.

In terms of communications with stakeholders, this is done in ways appropriate to the stakeholder and may take the form of formal announcements, individual meetings (for example appraisals with employees) and negotiations with other stakeholders.

The environmental impact of our manufacturing and our output is of significant importance to our medium-term prospects, not only to demonstrate our commitment to the community at large, but also to customers who increasingly, and rightly, look for suppliers with strong ethical values.

As a member of the communities in which we operate, the Board takes seriously the positive impact the business has, in terms of being an employer and seeking continuous improvement with respect to the impact on the environment and communities. This is illustrated in our annual “Sustainability Report”, copies of which are available at [www.polyflor.com](http://www.polyflor.com). The report outlines the impact of our manufacturing operations on the wider environment and improvements over time and has been published for nearly two decades, making it now an annual report. Feedback from the local community is received directly to the Head Office and is notified to the Board if appropriate.

We understand continuous development of our products also contributes to our responsibilities as well as the success of the business. This is illustrated, for example, by development of “dementia friendly” flooring and the increased use of post-consumer recycled material in the production process in recent years.

The operating businesses encourage feedback from customers through their relationship managers in the business and customer service teams.

**5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.**

Risk management is reported annually in our Report and Accounts along with how those risks are mitigated and how they change over time.

The board meets six times a year during which business and other risks are assessed. Key subsidiaries have their own management boards which meet regularly and assess the risks relevant to that specific business and relevant responses. These are communicated to the main board either by direct representation or via group management structures that are in place. There are also formal and informal communication routes that allow for risks to be communicated to board members in a timely manner from all operational entities.

**6. Establish and maintain the Board as a well-functioning, balanced team led by the chair.**

The Board has an appropriate balance between Executive and Non-Executive Directors and is made up of a good mix of skills, including strategic management, business development, financial management, industry experience and corporate governance. All Directors are now subject to annual re-election at the Company's annual general meeting.

The current composition of the Board is 3 Independent Non-Executive Directors, one which is the Senior Independent Director, and 3 Executive directors, one of which is the Chairman of the Board. All appointments to the Board are made on merit, but with due consideration to the need for diversity and are made to complement the existing balance of skills and experience on the Board

The Board is supported by three sub-committees which have specific remits, specifically the Remuneration Committee, the Audit Committee and the Nomination Committee. Details of the number of meetings and attendance by each Director is noted in the Corporate Governance section of the Annual Report & Accounts.

**7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.**

The Board evaluates consistently those skills that are required and whether they are adequately provided for. In doing so and where relevant it will consider guidance available on appointment and training of board members. The Company Secretary has the responsibility to make the board aware of legal changes and will advise on the company's approach. Directors also keep their skill sets up to date through individual reading and study and by governance updates by the NOMAD. Directors are able to take independent advice in furtherance of their duties, if necessary, at the Company's expense.

The Company Secretary supports the Chairman in addressing the training and development needs of the directors. In the case of new directors there is an induction process to ensure they become aware of the operations of the group.

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

The Chairman is responsible for the evaluation of the Board's composition and its performance of individual members and sub-committees. The Company carries an annual internal evaluation of the performance of the Board, and the results of the assessment are discussed by the remuneration committee and then the Board, and improvement and rectification actions are implemented where appropriate.

The Board recognises the importance of effective succession planning to ensure the long-term success of the company and is an ongoing topic of discussion.

The Company is committed to evolve its governance practices to align with best practices and the requirements of the QCA code.

**9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.**

The Company has a formal remuneration benchmarking process for employees and directors to ensure current compensation aligns with the market rates. The purpose of the process is to ensure employees and directors are adequately rewarded to retain talent and maintain commitment to the Company

Director's remuneration is reviewed on an annual basis by the Remuneration committee. The review considers such factors the company's performance in the previous the year, especially when benchmarked against the market condition, individual responsibilities and performance, and rates of pay of other similarly sized companies operating in comparable sectors.

The Annual Report and Accounts outline the Remuneration Committees approach and includes disclosures on directors' remuneration.

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

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, and various trading updates, which are released using the Regulatory News Service platform and the Company website ([www.jameshalstead.com](http://www.jameshalstead.com)).

As mentioned in 3., the Executive Directors regularly host meetings and site visits with investors and broker to update them on performance, governance and culture.

The AGM is a key forum for communications with any shareholders who wish to attend, and the directors are available here to listen to views expressed both formally and informally. The outcome of resolutions put to the AGM are published and are available on the company website.