

Section 172 Companies Act 2006 Statement

This report sets out how the Directors comply with the requirements of Section 172 Companies Act 2006 and how these requirements have impacted the Board's decision making throughout 2019.

Who we are and what we do

RGCM Limited, part of the RG Group, is the Group trading company and one of the UK's leading, privately held limited construction companies, with all directors being the ultimate sole shareholders and having a close day to day involvement in the management and operation of our business, which carries out a wide range of construction projects in the UK.

The Role of the Board

The Board's primary responsibility is to promote the long-term success of the Group by delivering projects that meet the client's expectations including on time, on budget and safely and to the highest quality standards so as to maintain the Company's financial viability

This is affected by setting out our strategy and the ongoing performance monitoring, and the Board holds regular Board meetings on a monthly basis, and review the main aspects of our business, including financial reviews and forecasts, resources, internal controls, performance, opportunities and risks.

All directors are directly responsible for and involved in all projects with day-to-day management carried out by senior management and must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to key issues including the interests of the stakeholders in both the short and long term.

1. The likely consequence of any decision in the long-term

A five-year plan is prepared and monitored by the Board, based on financial and operating performance against key strategies and objectives, and amended as necessary, with an annual review and preparation of a new 5-year plan.

Key issues in preparing and reviewing the 5-year plan are the economic climate, market conditions, retention of existing clients, new opportunities, competition and construction industry performance, construction industry market trends both short term and long term.

The consequences of both short term and long-term strategies and decisions are carefully balanced to ensure that all decisions made are for the long-term benefit, whilst recognising any short-term constraints and implications.

2. The interest of the company's employees.

The Directors understand the importance of our employees to the long-term success of the business, and being closely involved in the day to day operations of the business are familiar with each employee and thus able to assess their performance and provide guidance and further training as necessary.

We aim to recruit & retain motivated and competent people and we believe in promotion from within as reward for performance and dedication, and to demonstrate a clear path for progression, and over the years many employees have been promoted to senior positions in the Company.

Ongoing training and personal development are key strategies in our HR principles and the Company communicates to our employees via internal group-wide emails, presentations, and newsletters.

The Company has a well-developed intranet allowing our employees to easily access any information that they need, both on a project and corporate basis, and social media channels are developing to enhance communication and employee feedback

Regular meetings are held between the Directors and senior management to review projects and project finances, time and quality performance, resources and any other issues that could impact on the satisfactory delivery and completion of projects

3. The need to foster the company's business relationships with suppliers, customers and others.

The Company has always believed that good business relationships with Clients and suppliers, including specialist contractors, is key to our ongoing success, and the Directors develop close relationships with them to ensure that we fully understand each other's strategies and objectives and are able to support each other in achieving them.

It is considered essential that all clients and suppliers have direct access to the relevant director, and feedback is encouraged so that any lessons can be learned and any necessary improvements implemented.

4. The impact of the company's operations on the community and environment

Our overriding objective is to have minimal impact on the local communities and environment on all of our construction projects.

The Company has a well- developed Environmental Policy with stringent targets, and as a carbon neutral company we are committed to protecting the environment and acknowledges that the pursuit of economic growth and respect for the environment must be closely linked, with sustainable development being an integral part of our business philosophy and processes.

We work on the basis that compliance with environmental legislation, and other requirements, is the very minimum that will apply to our activities and services and we are committed to continual environmental performance improvement, the prevention of pollution and having a positive impact on the environment.

We work closely with our clients and suppliers, encouraging and educating our employees and supply chain to recognise their responsibilities regarding protecting the environment and achieving our environmental objectives and targets and communicating and consulting with all stakeholders as appropriate.

Our policy is periodically reviewed to ensure its continuing suitability, has been communicated to all RG staff and is made available to interested parties. It is endorsed by the Company's Directors and Management Team who take responsibility for the delivery of its aspirations and key objectives, which include:

Risk Assessment: an Environmental Risk Assessment is carried out for every project and office to identify the issues and to set any specific objectives and targets, including for minimising waste and energy use, Biodiversity and Conservation, responsible sourcing and local community engagement.

We engage with the local community on all large contracts, and host local community events to engage with local stakeholders, including local supply chain partners.

5. The desirability of the Company maintaining a reputation for high standards of business conduct

The Companies high standards in the way we run our business and deal with all stakeholders, and our commitment to being the best have been key to our ongoing success and repeat business from many blue chips clients.

Key to this is the experience and ongoing professionalism and commitment of our employees and we continually strive to make our Company a place where all enjoy their work and have the opportunity to progress.

We have a Policy of promoting continual improvement and the setting of quality objectives and improvement programmes within the Company. These are decided on and prioritised by the analysis of gathered data from our intranet system, RG Hub and our board and quality reports in line with the framework laid down within the ISO 9001:2015 Standard.

These objectives address the risks and opportunities within the Company, as determined by Senior Management, and we believe that Quality is critical to the success of our business, and base our approach on the key quality principles of customer focus, leadership, engagement of people, process approach, improvement and relationship management.

6. The need to act fairly as between members of the Company

Strategy and decisions by the Board are carefully considered in both the short and long term and the Directors are fully aware of the need to take into account all relevant factors to achieve a fair balance between members of the Company.

The overriding objective is to ensure that the Company maintains its reputation for quality and integrity so as to continue as a successful and sustainable business for the long-term benefit of the members.

RGCM Limited

09/07/20