

**Somero Enterprises, Inc. – Corporate Governance Statement**

The board of directors (the “**Board**”) of Somero Enterprises, Inc. (“**Somero**”) are committed to achieving high standards of corporate governance, integrity and business ethics. Since September 2018, all AIM quoted companies have been required to set out details of a recognised corporate governance code that the board of directors of such company has chosen to apply, how they comply with that code and, where it departs from its chosen corporate governance code, an explanation for doing so. Accordingly, Somero has chosen to adopt the Quoted Companies Alliance Code (the “**Code**”) as our guide.

The purpose of this statement is to set out in broad terms how we currently comply with the 2018 edition of the Code’s 10 “Principles”. It is noted that a new edition of the Code was published in November 2023 (the “**2023 Code**”), which will apply from the financial year ending December 31, 2025. The Board has started to consider the key changes and a review of our corporate governance framework will be carried out against the 2023 Code during 2025. The Board anticipates that it will similarly consider that Somero does not depart from any of the principles of the 2023 Code.

Somero also provides updates on its compliance with the Code in its annual reports; Somero’s latest annual report is available at <https://investors.somero.com/about-somero/reports-results-and-presentations>.

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

The Board has established the strategy for Somero and its subsidiaries (the “**Group**”) which is to provide innovative products and solutions to concrete flooring contractors that enable them to attain the highest level of flat-floor precision at the lowest cost, and to develop and penetrate the global market for our products and services. The Board regularly reviews progress towards the Group’s strategic objectives, which focus on (i) “product innovation” by pushing the construction industry forward with proprietary, innovative designs that help customers reduce manpower, increase speed & safety and deliver the highest quality concrete slabs for building owners and (ii) “international expansion” by deepening our presence in targeted markets by promoting wide-placement theory and quality concrete flooring standards, and increasing market penetration across the full range of our product portfolio.

The Group’s vision is for our innovative technology to be deployed whenever horizontal concrete slabs are placed. We remain focused on developing customer solutions that expand the market segments and applications we address and producing the highest quality results in the most efficient, cost-effective and safe manner possible.

For further information, please refer to Somero’s “*Business Model*” website page which is available at <https://investors.somero.com/business-model>.

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

The Board is committed to maintaining good communications with its shareholders and quickly responding to all queries received.

All shareholders will have at least 20 working days’ notice of Somero’s annual general meeting (the “**AGM**”) at which the majority of Somero’s directors (“**Directors**”) are introduced and available for questions. Institutional investors and analysts are invited to briefings by Somero immediately after the

announcement of Somero's full year results and all shareholders are encouraged to participate in Somero's AGM. In addition, retail investors are invited to a briefing immediately following announcement of Somero's interim and full-year results and this presentation is recorded and posted to Somero's "Investors" website page.

The Chairman is contactable at Somero's registered office and all of the Directors are expected to attend the AGM.

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

We recognise the importance of balancing the interests of our key stakeholders, which is essential for building a quality long-lasting growth business. Somero takes into account wider stakeholder and social responsibilities and their implications for long-term success, and strives to develop long-standing relationships with customers and shareholders alike; maintaining open lines of communication, availability to conduct site tours and a robust library of online content that demonstrates the unique value proposition of our products.

Investors and shareholders are invited to learn more about Somero's business and relationship strategies at <https://investors.somero.com/business-model/strategy>. For further information, please contact Somero at <https://investors.somero.com/investor-contacts>.

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

Somero has a comprehensive system for reporting financial results to the Board. Somero is committed to competence and integrity of management and staff at all levels, through its values statement, comprehensive recruitment, training and appraisal programs. Somero has established controls and procedures over the security of data held on computer systems and has put in place suitable disaster recovery arrangements.

A number of the Group's key functions, including treasury and taxation, are dealt with centrally. The Chief Financial Officer reports on an as-needed basis to keep the Board updated. There is no dedicated resource for internal audit functions, which is considered sufficient for the Group due to its size. Day-to-day management of the Group's activities is delegated to senior management and is considered sufficient for the Group.

The Board recognises its responsibility for determining the nature and extent of the principal risks the Group has to take to achieve its strategic objectives and priorities, and maintains sound risk management and internal control systems to do so. The Board has overall responsibility for identifying, evaluating and managing major business risks facing the Group. It annually reviews all operating unit assessments of business risk exposure and control, including compliance assessments, and determines appropriate action, taking into account the recommendations of senior management. By identifying and managing those existing and emerging risks, the Board can focus on long-term business opportunities.

For further information, please refer to Somero's latest annual report which is available at <https://investors.somero.com/about-somero/reports-results-and-presentations>.

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

The Board comprises seven Directors, three of whom are executive Directors and four of whom are non-executive Directors.

All independent non-executive Directors are selected from outside of Somero with due regard being given to their ability to contribute to the Board in light of knowledge, skills and experience required. The Board believes that the current composition is sufficient for Somero's current size (Somero is a small company) and the Board has been structured to ensure that an appropriate mix of skills and experience are in place to allow it to operate effectively and to support the development of Somero's strategy and long-term objectives.

Non-executive directors are expected to devote such time as is necessary for the proper performance of their duties, including in preparation for and attendance at Board, committee and shareholder meetings. When accepting their appointment, each non-executive director confirms that they can allocate sufficient time to meet the expectations of their role.

The Board has established Audit, Remuneration and Nomination Committees to support the Board in the performance of its duties, and the Board believes that the members of those committees have the appropriate skills and knowledge to perform the functions delegated to them. A review of the effectiveness of each of the committees is carried out annually.

For further information in relation to the composition of the Board, please refer to Somero's "*Board of Directors*" website page at <https://investors.somero.com/about-somero/corporate-governance/board-of-directors>.

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

The Board regularly reviews the composition of the Board to ensure that it has an appropriate mix of skills and experience to support the Group as it develops. On joining the Board, new Directors will receive a comprehensive induction. It is expected that Directors will receive regular updates on legal, regulatory and governance issues.

The Chairman, together with the Company Secretary, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board.

The Directors have access to the advice and services of the Company Secretary and are empowered to take independent professional advice in the furtherance of their duties at Somero's expense, where necessary.

For further information, please refer to Somero's "*Board of Directors*" website page at <https://investors.somero.com/about-somero/corporate-governance/board-of-directors>.

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

The Board periodically conducts a formal performance evaluation and considers the balance of skills, experience, independence and knowledge of Somero as well as its diversity, including gender, how the board works as a unit, and other factors relevant to its effectiveness.

Although the Board does not undertake annual evaluations of its performance, it considers the intervals at which such evaluations takes place sufficient to ensure continuous Board effectiveness. The Nomination Committee makes recommendations to the Board in respect of succession planning for Directors and is responsible for the process of appointment.

For further information, please refer to Somero's "*Board Committees*" website page at <https://investors.somero.com/about-somero/corporate-governance/board-committees>.

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

A critical aspect of Somero's strategy is to be perceived as a trusted partner of our customers. In order to achieve this objective, a culture of teamwork, openness, integrity and professionalism forms a key element of our principles and values which sets out the standards of behavior we expect from all our employees. The Board firmly believes that sustained success will best be achieved by adhering to such a culture and by treating all our stakeholders fairly and with respect.

Somero remains highly selective in the quality and fit of the individuals hired and devotes a significant portion of the hiring process to identifying individuals who embody and embrace Somero's core ethical values and culture.

The Board supports and promotes the principles of equal opportunities in employment and promotes a culture where every employee is treated fairly. The Board and management conduct themselves ethically at all times and promote a culture in line with the standards set out in the employee handbook.

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

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions, and is collectively responsible for the long-term success of Somero. The Board strives for good and effective governance, with informed and transparent decisions contributing to the delivery of the Group's strategy.

The Board is supported by the Audit, Remuneration and Nomination Committees. Terms of reference of each Board committee are set out on Somero's website at <https://investors.somero.com/about-somero/corporate-governance/board-committees>.

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

We are committed to maintaining good communications with our shareholders, and have put in place appropriate processes and structures to allow that to happen. Somero communicates with its shareholders through its annual report, trading announcements, the AGM and in the manner set out in the commentary in relation to Principle 2.

Somero announces the result of the proxy votes cast for each resolution proposed at each general meeting of its shareholders immediately after such meeting, and a range of corporate information (including all historical annual reports and notices of meetings, announcements, dividend information and presentations) is made available on Somero's "*Investors*" website page.

The Board receives regular updates on the views of shareholders through reports from its brokers and

from Directors following shareholder engagement. Analysts notes are reviewed and discussions held with Somero's brokers to maintain a broad understanding of varying investor views.

For further information, please refer to Somero's latest annual report which is available at <https://investors.somero.com/about-somero/reports-results-and-presentations>. The details of all shareholder votes and their outcomes can be found on Somero's website along with historical annual reports and other governance related material.

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