

Somero Enterprises, Inc. – Corporate Governance Statement

The board of directors (the **Board**) of Somero Enterprises, Inc. (**Somero**) is 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 2023 edition of the Code's 10 "*Principles*". The 2023 QCA Code places increased emphasis on stakeholder engagement, ESG considerations and transparent, evidence-based disclosures, and the Board has considered these developments in preparing this statement. The Board believes that this framework is appropriate to the size and operations of the business.

The Board considers that Somero complies with the requirements of the Code and continues to implement a robust governance structure to ensure continued compliance with the Code.

Somero also provides updates on its compliance with the Code in its annual reports; Somero's latest annual report for the year ended 31 December 2025 (the **2025 Annual Report**) is available at <https://investors.somero.com/about-somero/reports-results-and-presentations>.

Principle 1: Establish a purpose, 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 ensures that Somero's purpose, strategy and business model are aligned with long-term sustainable value creation, taking into account stakeholder and ESG considerations.

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 and 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: 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 behaviour 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 3: 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.

Our ESG and stakeholder engagement disclosures are set out on pages 21-25 of our 2025 Annual Report, which is available on our website: <https://investors.somero.com/about-somero/reports-results-and-presentations>.

Principle 4: Take into account wider stakeholder interests, including social and environmental 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.

The Board considers ESG factors as part of its ongoing oversight of the business, with a focus on the issues most relevant to long-term performance and stakeholder expectations.

A key material topic for Somero is the environmental impact of construction activity and the role our equipment can play in improving efficiency. Independent studies by Colorado State University and Middle Tennessee State University found that use of Somero's laser screed technology in non-residential slab-on-grade projects can reduce concrete usage and associated construction-phase emissions by approximately 3%.

We continue to progress electrification in line with customer demand, with two electric machines now

introduced. Alongside this, we remain focused on training and education for both customers and employees, supporting safer, more productive job sites and improved equipment utilization.

Somero also engages with global industry associations and trade groups to support best practice across the sector.

Our ESG disclosures and sustainability initiatives are set out on pages 21-23 of our 2025 Annual Report and on our website: <https://investors.somero.com/about-somero/reports-results-and-presentations>.

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 5: Embed effective risk management, internal controls and assurance activities, 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. To meet this responsibility, the Board relies upon:

- an organisation structure with clearly defined lines of authority and responsibility, limits for authorisation of transactions and segregation of duties;
- the production and review of regular monthly management information to agreed timescales;
- the identification of key performance indicators with explanations of variances;
- a formalised process for reviewing all company activities during the year;
- detailed annual operating budgets for all businesses; and
- formal authorisation procedures for all investment and capital expenditure.

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.

Our risk management disclosures are set out on page 31 of our 2025 Annual Report and on our website: <https://investors.somero.com/about-somero/reports-results-and-presentations>.

Principle 6: Establish and 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.

The Code recommends that all directors retire at each AGM and, if applicable, offer themselves for reappointment. The Board has elected not to propose that all Directors retire at the forthcoming AGM in 2026 due to Somero's ongoing succession planning.

The composition of the Board is constantly under review to ensure that it remains appropriate to the skills and requirements of the Group. At least one third of the Directors retire annually in rotation in accordance with Somero's certificate of incorporation and amended and restated bylaws.

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 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 regularly reviews its composition to ensure that it maintains an appropriate balance of skills, experience, and perspectives to support the Group's strategy, risk profile, and long-term development. This review is informed by a structured assessment of Board capabilities and is used to support succession planning and the identification of future skills requirements. On appointment to 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, supported by 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.

Somero maintains appropriate governance structures and processes that are fit for purpose and support good decision-making by the Board. The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The non-executive Directors are responsible for bringing independent and objective judgement to Board decisions. The executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

As part of Somero's commitment to continuous improvement, the Board regularly reviews Somero's governance framework to ensure that it remains effective and appropriate for the business.

The Board is supported by the Audit Committee, Remuneration Committee, Nomination Committee and such other committees as may be deemed appropriate from time to time. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advice, as necessary, to enable the committee to fulfil its duties.

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 8: 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.

Somero uses the following criteria against which Board, committee, and individual effectiveness is considered:

- Board contribution to company performance;
- company strategy and Board input;
- understanding the business, regulatory environment, and competition;
- risk management and mitigation;
- Board composition, skills, and diversity;
- Board behaviour, relationships, and challenge;
- induction, development, and training;
- succession planning and talent retention;
- Board committees and division of responsibilities;
- Board meetings: conduct, focus, and priorities;
- Board support, information quality, and provision;
- leadership, individual contribution, and effectiveness; and
- stakeholder and shareholder engagement.

The Board considers that an externally facilitated performance review has not been required in the past year. Oversight of Board composition and effectiveness has instead been maintained through the work of the Nomination Committee. The Board will nevertheless continue to review this position and may engage external support in the future should it become appropriate.

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

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

Somero has established a remuneration policy, which is to provide executive remuneration packages to attract, motivate and retain Directors of the high calibre required and to reward them for enhancing value to stockholders.

The performance measurement of the executive Directors and the determination of their annual remuneration package are undertaken by the Remuneration Committee consisting solely of Non-executive Directors.

The non-executive Directors receive annual increases as determined by the full Board. In setting compensation, the Remuneration Committee takes account of the fairness and competitiveness of executive and non-executive compensation in comparison to peer companies and with regard to the US labor market.

The Remuneration of non-executive Directors is approved by the Board. In framing remuneration policy, the Remuneration Committee has given consideration to the requirements of the Code.

For further information, our Directors' Remuneration Report is set out on pages 41-43 of our 2025 Annual Report and on our website: <https://investors.somero.com/about-somero/reports-results-and-presentations>.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key 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 2025 Annual Report, trading announcements, the AGM and in the manner set out in the commentary in relation to Principle 3.

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, which is available at <https://investors.somero.com>.

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.

Somero's website is updated on a regular basis with information regarding Somero's activities and performance, including financial information. The details of all shareholder votes and their outcomes can also be found on Somero's website, along with historical annual reports and other governance-related material