

MORTGAGE AND SURVEYING SERVICES LIMITED DIRECTORS REPORT

Section 172 (1) Statement and Stakeholder Engagement

The Board of Mortgage and Surveying Services Limited ("the Company") consider that they have adhered to the requirements of section 172 of the Companies Act 2006 ("the Act") and have, in good faith, acted in a way that they considered would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making.

As part of the wider Mortgage and Surveying Services Group ("the group"), taking into account the relative size of the Company and centralised nature of the group, the Board may consider it reasonable for decision making to be handled by the Group Board.

The new reporting legislation around stakeholder engagement is welcomed by the Board and the commentary and table below sets out our s.172(1) statement. This statement provides details of key stakeholder engagement undertaken by the Board during the year and how it helps the Board to factor potential impacts on stakeholders in the decision-making process.

General

The group promotes the highest standards of corporate governance and ensures that these standards cascade throughout the group and its subsidiaries. Guiding principles are in place for the relationship between the group board and the boards of the group's subsidiaries. This framework promotes full and effective interaction across all levels of the group to support the delivery of strategy and business objectives within a framework of best corporate governance practice.

Corporate governance underpins how we conduct ourselves as a board, our culture, values, behaviours and how we do business. As a board we are conscious of the impact that our business and decision have on our direct stakeholders as well as our wider societal impact.

As part of the director induction process, the directors are briefed on their duties, including their duty under s.172 of the Act. The directors are entitled to request from the Company all such information they may reasonably require in order to be able to perform their duties as a director.

For each transaction approved by the Board discussion takes place around employee impact and impact on other stakeholders, such as customers. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and potential conflicts as part of its decision-making. Additionally, the group company secretary is on hand to provide support to the Board ensuring that sufficient consideration and time is given to stakeholder issues during these discussions.

Each year the directors deliver a forecast which includes a three-year plan prepared in accordance with the long-term strategy of the group. The directors have also acted in the long-term interest of the group by

supporting policies, behaviours and actions which promote the interest of people, customers, and other stakeholders.

Stakeholder Engagement

The table on the following pages sets our key stakeholders and provides examples of how we have engaged with them in the year, as well as demonstrating stakeholder consideration in the decision- making process.

Stakeholders	Our Approach	Decision Making Considerations
<p>Shareholders</p> <p>Our shareholders are vital to the future success of our business, as our shareholders provide funds which aid business growth.</p>	<p>Our Board includes key shareholder representatives and relevant performance metrics provided to them on a regular basis.</p> <p>Monthly meetings between management and shareholders to discuss results.</p> <p>Additional shareholder meetings to discuss acquisitions, disposals, strategic issues or changes of ownership structure.</p> <p>Our audit committee feeds back any significant items arising from the audit process; including challenge! to risks and controls.</p>	<p>As a Board, we aim to provide clear information to shareholders, being honest and transparent as to the performance of the business and actively engaging with key strategic and operational developments.</p> <p>Value is generated for the shareholders by supporting the overall group to deliver on the business plan.</p>
<p>Customers and Product Providers</p> <p>We work closely with our customers and product providers to understand their evolving needs so the Company can improve and adapt to meet them.</p>	<p>Dedicated relationship managers maintain strong communication with customers and product providers, actively seeking regular performance feedback.</p> <p>Focus on key service metrics to ensure high levels of delivery.</p> <p>In consultation with our stakeholders, we work hard to develop new products to better meet their needs.</p>	<p>Long term engagement is a key part of the process in developing new propositions and progressing existing ones. MSS' market growth in the last 12 months has primarily been an effect of maintaining high levels of quality service.</p> <p>MSS aims to provide a consistently high quality of service at a fair market price to fulfil customer requirements.</p>

<p>Employees</p>	<p>Regular Employee Engagement Survey to seek wide ranging feedback about the business and the culture we are building. Engagement Surveys and more informal feedback are both followed up with Line Managers for improvement</p> <p>An employee panel comprising of representatives from each area of the business enables employees to share views and concerns on specific topics</p> <p>Monthly boards monitoring of staff churn rates including reasons for leaving the business.</p> <p>Review of H&S reports at each monthly board meeting</p> <p>6 – monthly executive Q&A sessions with all employees to update on business growth and address queries</p> <p>A well defined whistleblowing and grievance process, Any reports are investigated and appropriate changes implemented to prevent recurrence.</p>	<p>Feedback from the employee surveys, as well as the employee panel is reviewed at Operating Board and Executive level and forms the basis of proposals and actions for senior management and the Board.</p>
<p>Regulator A good working relationship with the Financial Conduct Authority and the Royal Institute of Chartered Surveyors in relation to our regulated entities ensures the Group works to the best possible standards.</p>	<p>We maintain close contact with the regulators and proactively engage on any issues where the answer is not sufficiently clear.</p> <p>Our compliance team monitor any correspondence and emerging issues flagged by the regulators in order to ensure we are fully up to date with the latest guidance.</p> <p>Well invested compliance functions which closely monitor business activity to ensure it is completed in line with the regulator's requirements.</p>	<p>The head of compliance and an independent non-executive director focussed on compliance both attend the subsidiary board meetings in order to have the opportunity to raise any relevant issues. These are then escalated to the Group board meeting if they are considered relevant to the Board's decision making.</p> <p>A compliance report of any issues identified within the subsidiaries is escalated to the group board meeting for consideration where relevant.</p>