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## NOBLE CALEDONIA LIMITED

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### S172 STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

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The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.'

The following paragraphs summarise how the directors fulfil their duties:

#### ***Interests of members of the company***

The Company is a private company and a wholly owned subsidiary of Noble Caledonia Holdings Limited. Ultimately the Company has two shareholder groups both of which have representation on the Board. The full Board consists of eight members, five of whom are representatives of the owners of the group (non-executive directors) and three of whom are the managing director, the finance director and life president (executive directors). Whilst the day-to-day operations of the Company are managed by the executive directors, the non-executive directors are closely involved in the activities of the Company and provide day-to-day support as and when required.

In common with many private companies the interests of the Board and the shareholders are broadly aligned in that the Company should create value by generating strong and sustainable results.

The Company is principally regulated by the Civil Aviation Authority ("CAA"). Each year the Company is required to renew its Air Tour Organiser's Licence with the CAA. As part of the renewal process the CAA assess the level of equity capital (shareholders' funds) that the Company is required to maintain. In addition, the group is required to seek the approval of the CAA before a dividend can be declared and paid to its shareholders.

#### ***Board decisions during the year***

Earlier in the year the directors judged that the Company would meet the capital requirements of the CAA if a dividend of £4,300,000 were paid and sought the consent of the CAA for this which was given. The dividend was paid on 17 September 2019.

During the year the directors have continued to monitor the foreign exchange markets and the Company's requirements for foreign currencies (principally the US Dollar and the Euro) and approved the entering of certain forward currency contracts. These contracts together with existing contracts, in total a sterling commitment of £26.9 million, are enough to meet the Company's requirements for the next 12 months and will enable the Company to budget with more certainty over this period.

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#### ***The interests of employees***

The directors continue to focus on training and supporting employees in the understanding that a well informed and trained workforce is essential for the Company's ongoing success. They hold regular staff meetings, attended by members of the Board, and carry out annual appraisals. Feedback is encouraged from staff and where possible and practical the directors implement suggestions made to improve procedures and the working environment.

The average number of staff for the period was 67 (2019: 65).

The Company offers its employees competitive remuneration packages and all staff members can join the Company's Group Defined Contribution Pension Plan. In addition, a Company wide bonus scheme is operated, however this has been suspended for the years ended 31 March 2020 and 31 March 2021.

Conferences are also held for expedition leaders and feedback is received from them.

The directors encourage both employees and expedition leaders to make suggestions as to both the projects that can be supported by the Noble Caledonia Charitable Trust and how the Trust can raise money. The Noble Caledonia Charitable Trusts provides help and assistance to communities that clients' visit and supports environmental and wildlife projects.

#### ***The interests of customers***

The Company has two types of customers: individuals seeking holidays; and companies seeking to sub charter vessels.

#### ***Individual customers***

The Customer experience is at the heart of the Company's decision-making process. The Company continues to develop new and unique itineraries and implement recommendations made by clients in the feedback process and during the roadshows. This is highlighted by the loyalty shown by the Company's clients to the vessels used and that many customers book more than one holiday a year.

If holidays do not go to plan, whether through mistake or due to circumstances outside of the Company's control endeavours are made to treat customers fairly and where circumstances dictate provide prompt compensation.

#### ***Sub-charterers***

The Company offers sub-charterers both the hardware and operational expertise which places the Company in a favourable position compared to others occupying the sub-charter market.

#### ***The interests of suppliers***

Due to the nature of the Company's activities many of its suppliers are based overseas. Principal suppliers include ship owners/operators, airlines, hotels, and landlords. Where possible staff meet with suppliers to plan sailing schedules and to receive feedback.

The Company endeavours to pay all suppliers promptly and within the terms agreed. During the year, the Company paid 87.7% of suppliers' invoices within 30 days of receipt of the invoice, 7.9% within 60 days and 4.4% in more than 61 days.

Where disputes arise, the Company strives to reach outcomes that are satisfactory and fair to both the Company and its suppliers.

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#### ***The impact of the Company's operations on the community and the environment***

The Company operates in remote locations such as the Arctic and Antarctica, such regions have exacting operating procedures to ensure as little effect as possible is made on the environment. To stay aware of best practice, the Company is a member and active participant of organisations including AECO (Association of Arctic Expedition Cruise Operators) IAATO (International Association of Antarctic Tour Operators) and the UK Chamber of Shipping.

The Company is also compliant with the UK Energy Savings Opportunity Scheme (ESOS). The annual quantity of emissions, in tonnes carbon dioxide equivalent, resulting from the activities of the Company that the Company is responsible for together with the steps taken to be more energy efficient are set out in the Directors' Report on page 10 of the Company's 2020 Annual Report. These emissions do not take into account the emissions of suppliers who operate the flights, vessels, transfers and hotels that the Company uses in providing holidays as it is not responsible for purchasing the fuel, gas and electricity used.

Many of the Company's suppliers do have carbon offset programmes, particularly airline partners. The Company encourages all suppliers to take steps to be as energy efficient as possible.

The Company makes donations to the Noble Caledonia Charitable Trust and encourages passengers to make donations as well. The Trust provides help and assistance in many of the regions of the world which are visited by the Company's clients. This year the Trust has participated in a whale monitoring programme and continued its good works in India, Cambodia and Madagascar.

#### ***Maintaining a reputation for high standards of business conduct***

The Company is committed to maintaining a reputation of high standards of business conduct. The Company has an ethics policy for all employees to follow and reviews this annually. Each year the directors consider and approve the Company's modern slavery statement which explains the activities the directors have taken to demonstrate their commitment to seeking to ensure that there is no slavery, forced labour or human trafficking within any part of the business or supply chains. The statement can be found on the Company's website at [www.noble-caledonia.co.uk](http://www.noble-caledonia.co.uk).