

ActiveOps plc

Statement of Compliance with the QCA Corporate Governance Code

Corporate governance policy

ActiveOps plc (“ActiveOps” or the “Company” together with its subsidiary undertakings, the “Group”) has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the “QCA Code”), the corporate governance code tailored for small and mid-size quoted companies and considers this to be appropriate given the nature of ActiveOps’s activities and the size of the Company.

The Board is committed to maintaining high standards of corporate governance and considers that a strong corporate governance foundation is essential in delivering shareholder value.

The QCA Code is constructed around ten broad principles which ActiveOps seeks to fully adhere to.

Set out below is an explanation of how the Company currently complies with the principles of the QCA Code and, to the extent applicable, those areas where the Company’s corporate governance structures and practices differ from the expectations set out in the QCA Code.

Annual updates will be provided on the Company’s compliance with the QCA Code.

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

The Board leads the development of the Group’s strategy, whilst ensuring the values remain aligned with this strategy.

The Board meets regularly to review:

- operational and business performance;
- sales, customer success, marketing and product development progress;
- strategic considerations; and
- the progress of previously agreed actions.

The Group has a clear and proven growth strategy to penetrate its large addressable market in the key sectors of banking, insurance and Business Process Outsourcing (BPO). The Group’s Growth Strategy has five pillars, described below:

- Operations research
- Industry leading solutions
- Industry benchmarks
- Enterprise fitness
- Recognition of Management Process Automation and Decision Intelligence

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

The Company is committed to open, two-way communication with its shareholders so there is a clear understanding of its strategy, business model and performance.

The Chief Executive Officer and Chief Financial Officer have regular dialogue with shareholders and analysts to discuss progress against strategy, including the Group's financial results. They meet with its major shareholders in the days following the release of the Company's interim and annual results, to discuss the results statement and to understand the needs and expectations of these shareholders.

Whilst being mindful of the requirements of the AIM Rules and Market Abuse Regulation, the Board may engage with shareholders directly from time to time in relation to matters those shareholders wish to discuss.

The Company seeks to engage with its shareholders through updates to the market via the appropriate regulatory news channels on matters of a material substance and/or regulatory nature. In conjunction with the Company's brokers and other financial and public relations advisers, all relevant news is distributed in a timely fashion through appropriate channels to ensure shareholders are able to access material information on the Company's progress. The Company's website has a section for investors, which contains all publicly available financial information and news on the Company.

The Board recognises the Annual General Meeting ("AGM") as an important opportunity to engage with shareholders who are given notice of the AGM at least 21 days prior to the meeting. The Chairman, together with all other Directors attending the AGM, will be available to answer questions raised by shareholders. Where feedback is provided, including voting decisions against any of the Company's proposed resolutions, the Board will engage with those shareholders to hear and address any issues.

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

The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Company's investors, employees, customers, partners, suppliers and regulatory authorities. The Company's operations and working methodologies take account of the requirement to balance the needs of all these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Company for the benefit of its shareholders as a whole. The Company dedicates significant time to obtaining feedback on the needs and requirements of these groups which is then, where appropriate, considered by the Board and acted upon.

The Company is committed to attracting and retaining the highest quality of talent and to promoting diversity and equal opportunities. The Company seeks to achieve this through the application of high standards in recruitment and development and providing a strong supportive culture of continuous improvement and innovation. All employees have objectives and have regular dialogue with their managers in relation to personal objectives, team objectives and alignment with the Company's values. Employees are also encouraged to develop their skills and budget is provided for employee training and development. The senior management team engages in regular business update briefings with employees and conducts an annual employee engagement survey. A committee representing employees from across the Group's operations supports the senior management team in designing and implementing change effectively.

The Company seeks to be honest and fair in all relationships with customers, partners and suppliers and encourages feedback from all parties. The Company pays particular attention to its customer relationships and has established a customer success function which is charged with ensuring customers maximise the value of their investment. As a result, the Company is typically regarded as a trusted partner by customers.

The Company takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Company ensures full compliance with health and safety and environmental legislation relevant to its activities. During the period, the Company adopted the GRI framework, and is focused on developing and implementing a robust ESG agenda supported by appropriate reporting, along with ongoing development of procedures and policies supporting the Group's ESG goals.

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

The Board is ultimately responsible for the Company's systems of risk management and internal control and for reviewing the effectiveness of those systems in light of any risks identified. The systems are reviewed for effectiveness by the Audit Committee and the Board.

The Company's systems of risk management and internal control are designed to help the Company meet its business objectives by appropriately managing the risks relating to those objectives. The controls can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Board is aware of the need to conduct regular risk assessments to identify any deficiencies in the controls currently operating over all aspects of the Company. To that end the Board maintains a risk register for all activities of the Company.

The risk register details the potential risk likelihood and impact, mitigating factors, action owner and appropriate controls and mitigation strategies. The Operations Board meet regularly to consider new risks and opportunities presented to the Company, making recommendations to Board and/or the Audit Committee as appropriate.

A summary of the principal risks relating to the Group are detailed in the Principal Risks and Uncertainties section on page 28 of the Annual Report and Accounts 2023.

A comprehensive budgeting process is conducted for review and approval by the Board. The Company's results, compared with the budget (and any relevant reforecasts), are reported to the Board for consideration.

The Company maintains appropriate insurance cover. The insured values and type of cover are comprehensively reviewed by the Board on a periodic basis, after detailed specialist advice from the Company's insurance brokers.

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

The Board takes responsibility for developing long term strategies and providing leadership to the Group as a whole, ensuring obligations to shareholders are met. Through the leadership of the Chair, the Board ensures a framework of controls exist which allows for the identification, assessment and management of internal controls and risk, ultimately taking collective responsibility for the success of the Company.

The Board comprises the independent Non-Executive Chair, the Chief Executive Officer, the Chief Financial Officer and two independent Non-Executive Directors. The Board is highly committed and experienced and is supported by a qualified senior management team.

The Chair of the Board has overall responsibility for the corporate governance arrangements of the Company, the provision of effective leadership to the Board, ensuring effective implementation of the Board's decisions. The Executive Directors are directly responsible for running the business operations of the Group. The Non-

Executive Directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board. The Board has not designated one of the Non-Executive Directors as the senior independent director, as that role is not deemed appropriate at this stage of the Company's development. However, the Board will keep this under review. There is a documented schedule of matters reserved for the Board. The Board is supported by the Audit Committee, the Nomination Committee and the Remuneration Committee, as detailed below under Principle 9.

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

Each member of the Board brings different skills and experience to the Board and the Board Committees. The Board is satisfied that there is sufficient diversity in the Board structure to bring a balance of skills, experience, independence and knowledge to the Company.

The Board is supported by the Nomination Committee, which is responsible for reviewing the balance of skills and experience of the directors needed on the Board in the course of its work, as set out in the Nomination Committee Report on page 42 of the Annual Report and Accounts 2023. Details of the experience and skills of each of the Directors are given on page 34.

The Board receives at its meetings detailed reports from senior management on the performance of the Group and other information as necessary. Regular updates are provided on relevant legal and regulatory, corporate governance and financial reporting developments.

All Directors have access to the advice and services of the Company Secretary and the Board also obtains advice from professional advisers as and when required.

Specific training will be provided to the Board by the Company when required to support the Directors' existing skillsets.

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

The effectiveness of the Board, individual directors and senior management is evaluated on an ongoing basis as part of the Board's ongoing review of the business. In addition, the Board undertook an internally facilitated questionnaire based Board evaluation during the financial year. Further detail is set out in the Nomination Committee Report on page 40 of the Annual Report and Accounts 2023.

The Chair has overall responsibility for ensuring that the Board discharges its responsibilities, and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Company's strategy and overall commercial objectives. This process feeds into the ongoing evaluation of Board performance.

The Chair has been tasked with assessing the individual contributions of each of the team members to ensure that:

- their contribution is relevant and effective;
- they are committed; and
- where relevant, can continue to be considered independent.

The Board has established a senior management team with strength in depth in each of its core functions of Sales, Customer Success, Finance, HR, Technology, Product Management and R&D, which it will draw on, together with appropriate external appointments, with regards to succession.

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

The Board places great emphasis on promoting a corporate culture that reflects the Company's ethical principles and values, and is consistent with the company's objectives, strategy and business model.

As the Company works with an international team, considerable importance is placed on a culture of inclusivity and sensitive communication, thereby ensuring that individual cultural values are respected.

The Company encourages innovation, has flat management structures and encourages a culture of continuous improvement. This helps to ensure that communication and understanding flows well within the Company.

The Board supported the implementation of formal HR policies and procedures that set out details and guidelines on the culture of the Company and how this should be reflected in employees' individual conduct. An anti-bribery statement is on the Company's Intranet and the Company ensures that all employees are aware of the anti-bribery policy which sets out the expectations of the Company so far as acceptable business conduct is concerned, in particular that giving or accepting bribes is not acceptable. These policies, along with all other main compliance policies, are provided to employees upon joining the business and recirculated annually. Training is also provided at the induction course and at regular intervals thereafter to ensure that all employees within the business are aware of their importance.

All Company policies are also available to the employees through the Company's HR system and Intranet. The Board has regular interaction with Group company employees and monitors and promotes a healthy corporate culture in this way. Additionally, it ensures sound ethical practices and behaviours are deployed at Board meetings.

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 the overall leadership of the Group, including the approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of the Group's strategy, policies and plans. Whilst the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters include, amongst other things, approval of the Group's strategic aims and objectives, approval of significant capital expenditure and approval of the annual operating budget and major corporate transactions.

The Board currently comprises five Directors, of whom two are executive and three are Non-Executive. The Board considers the three Non-Executive Directors, being Sean Finnan, Michael McLaren and Hilary Wright, to be independent for the purposes of the QCA Code. The Board is supported by the Audit Committee, the Remuneration Committee and the Nomination Committee, with formally delegated duties and responsibilities as described below:

Audit Committee

The Audit Committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems and overseeing the relationship with the external auditors, including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings.

Remuneration Committee

The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of Non-Executive Directors is a matter for the Chair and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration.

Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required by a particular appointment, and identifying and nominating candidates to fill Board positions as and when they arise.

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

The Company places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning the Company's activities are fair, balanced and understandable.

The Company's website is regularly updated with announcements and details of investor presentations and events as well as the Company's financial reports. Trading updates and press releases are issued as appropriate, and the Company's brokers provide the Board with briefings on shareholder opinion and compile independent feedback from investor meetings for review by the Board.

The Annual General Meeting is used by the Directors to communicate with both institutional and private investors. Every shareholder will have access to the full annual report at each year end and the interim report at each half year end.


THIS INFORMATION WAS LAST REVIEWED AND UPDATED ON 07 AUGUST 2023.


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