

## **Corporate Governance Code**

Ebiquity plc ('Ebiquity' or 'the Company') is committed to robust standards of corporate governance. As it has stated in its Annual Report, it has always followed the Quoted Companies Alliance ('QCA') Corporate Governance Code ('the Code') and on 23 July 2018 the Board formally agreed to adopt the Code pursuant to Rule 26 of the AIM Rules.

The main principles of the Code are set out below together with, in broad terms, how Ebiquity complies with these principles.

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

In 2016 Ebiquity launched a Growth Acceleration Plan designed to achieve a compound annual growth rate of 10% by 2021. As the media industry is changing, Ebiquity is transforming and developing to meet the needs of its clients. The strategy is designed to make Ebiquity best equipped to help its clients to build accountability into their market investments. Its business has been aligned into four practices – Media, Analytics, Tech and Intel. This structure better reflects the needs of advertisers and the reality of the media and marketing ecosystem.

In February 2018 Ebiquity agreed to sell its Intel business to Nielsen Media Research Limited. This is subject to clearance by the Competition and Markets Authority; the investigation is expected to conclude by December 2018. This will create a more streamlined business which will allow the Company to focus on its core service offerings.

### **Principle 2 – Seek to understand and meet shareholder needs and expectations**

The Directors actively seek to build a relationship with shareholders. The CEO and the CFO are responsible for shareholder liaison and present to the major shareholders and analysts after the publication of both the interim results and the full-year preliminary results. As well as a presentation of the results, the meetings give the shareholders the opportunity to ask any questions and discuss their needs and expectations. Ad-hoc meetings are welcomed by the Directors as and when the need arises. The AGM is an opportunity for all shareholders to meet the Board and ask any questions.

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

In addition to shareholders, clients, suppliers, trade bodies and employees are the key stakeholders.

The Company recognises that employees are key to its success. During 2018 it has started having monthly 'all hands virtual meetings'. All Ebiquity's employees worldwide are invited to participate in a web-based meeting whereby the CEO provides an update on the Company's performance and then all employees are invited to submit questions on any aspect of the business. These are voted for by employees in real time and the most 'liked' questions are put to the CEO and answered during the meeting. The Company is also developing a global competency framework to help understand what behaviours and skills are required for employees to carry out their jobs. Marrying this with a skills map, the Company can assess what skills it has and where the development needs are. It also has a 'Future Leaders' programme which aims to identify key talent and develop a future leadership pipeline. An annual engagement survey takes place to get feedback from employees.

The Company is constantly listening to its clients in terms of their needs and has restructured its practices to better serve their needs.

Ebiquity has good relationships with trade bodies and has published reports with the US and Canadian Associations of Advertisers and works closely with similar bodies globally.

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## **Principle 4 – Embed effective risk management, considering both opportunities and threats, through the organisation**

The Board retains ultimate control and responsibility for the risk management of the Group. It has put in place an organisational structure with defined lines of responsibility and has adopted an authority matrix which sets out the delegation of authority to individual business units and members of staff. There is an internal Risk Committee which regularly meets to review existing risks, discuss new risks and agree actions to manage or reduce them. The output of this is fed into the Audit and Risk Committee of the Board.

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

The Board comprises an independent non-executive Chairman, three independent non-executive directors and three executive directors. The Board is satisfied that there is a suitable balance between independence and knowledge of the Company and that there is a good mix of executive and non-executive directors. The non-executive directors are encouraged to use their independent judgment to challenge all matters. During the year to 31 December 2017 there were 10 Board Meetings held which were attended by all serving directors (other than Nick Manning, who resigned from the Board on 31 December 2017, who did not attend one Board meeting). The Audit and Risk, Remuneration and Nomination Committees meet regularly as required.

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

The Board is satisfied that it has an appropriate mix of skills and experience. The non-executive directors have worked in a variety of industries and bring valuable knowledge and insight. All Directors receive timely information in advance of Board meetings and receive management accounts regularly. The Directors have direct access to the services of the General Counsel and Company Secretary and take external independent advice where required.

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

The Chairman, in conjunction with the Company Secretary, takes on the role of organising an annual Board evaluation programme. Feedback is obtained and shared which leads to actions to be taken to continuously improve the functioning of the Board. Rob Woodward was appointed Chairman in May 2018 and is working with the Company Secretary to put in place a new Board evaluation process for the year to 31 December 2018.

## **Principle 8 – Promote a corporate culture that is based on ethical values and behaviours**

The Company ensures that policies and procedures are in place to cover matters such as anti-bribery and corruption, business ethics and modern slavery. The Company has commissioned a diversity report and is taking action to ensure that it is a diverse organisation. The regular 'all hands' web-based meetings, where the CEO invites all employees to ask questions on any matter, encourage open and honest discussions.

The Company's core values of Clear, Agile, Curious and Objective encourage a straight-forward, adaptable, honest culture which helps promote ethical values and behaviours.

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

The Board is responsible to shareholders for the strategic direction and proper management of the affairs of the Group. The Directors are collectively responsible for acting in a way which they consider is most likely to promote the success of the Company for the benefit of shareholders.

The Chairman's principle role is to ensure that Board is effective in interrogating, approving and monitoring the Company's direction and strategy. The CEO is responsible for setting long-term strategy, developing appropriate business plans, agreeing management KPIs and leading the executive directors and senior executive team in the day-to-day running of the Groups business. He is also responsible for shareholder communications and ongoing relationships with investors. The CEO and the CFO regularly meet with investors and analysts to discuss the performance of the business and its strategy.

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The Board has constituted several committees to help it in the performance of its functions. The principle committees are the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee. Full terms of reference are published on the Company's website ([www.ebiquity.com](http://www.ebiquity.com)) but the principle responsibilities are:

**Audit and Risk Committee** – the purpose of the Committee is to ensure the preservation of good financial practices throughout the Group and to monitor that controls are in place to ensure the integrity of financial information. It is responsible for reviewing the performance of the external auditors and for agreeing their scope of work. It also monitors the level of non-audit work conducted by the external auditors to ensure independence and objectivity. The Committee also reviews the risk management process and the risks identified by the internal Risk Committee.

**Remuneration Committee** – the committee is responsible for the executive Directors' remuneration and other benefits and terms of employment including performance-related bonuses and share options as well as providing general guidance on aspects of remuneration policy for the Group.

**Nomination Committee** – the Committee meets as necessary and has responsibility for nominating candidates to the Board for appointment as directors as well as considering the overall structure of the Board.

As part of good corporate governance there are certain matters which are not appropriate to be delegated to management and should be reserved for consideration by the board as a whole. The full list of such matters is available on the Company's website ([www.ebiquity.com](http://www.ebiquity.com)) and they include:

- Approving annual budgets and quarterly forecasts;
- Changes to the Group's capital structure;
- Approving the dividend policy; and
- Reviewing non-routine regulatory news service announcements made by the Company

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

The Company communicates with shareholders through its Annual Report and Accounts, the Annual General Meeting, face-to-face meetings with major shareholders and results presentations. A range of corporate information (including all regulatory announcements and annual reports and accounts) is available to all shareholders and stakeholders on its website at [www.ebiquity.com](http://www.ebiquity.com).

The website also contains details of all votes cast by shareholders at its Annual General Meeting and this is also set out in an announcement after the meeting.