

Corporate governance report

I am pleased to present the corporate governance report for the year ended 31 December 2021.

Ebiquity applies the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') when considering its corporate governance practices because this provides a robust yet sufficiently flexible framework. The Board believes the Company complies with all the principles of the QCA Code, but this is an ongoing process, requiring regular review and action to ensure we continue to follow appropriate standards as the business develops and changes. A copy of the QCA Code is available from www.theqca.com.



"The Chair's principal role is to lead the board in determining the Group's future direction and strategy."**"**

As Chair I am responsible for the governance of the Group and ensuring that the Board is effective. This includes having a diverse combination of people with the skills, knowledge and experience required to oversee the Group; ensuring that the Board considers and discusses a range of topics over the course of the year and receives feedback from its key stakeholders. Direct engagement with stakeholders is always useful and I hope and anticipate that as the pandemic restrictions are eased, there will be renewed opportunities for the Board to meet and interact with one another, the executive leadership team and other employees, as well as some of our external stakeholders in person as well as virtually.

This corporate governance report describes how the Board and committees operate, the things we have done during the year, including our Board effectiveness review and how the Board interacts with shareholders. There are more detailed reports from the Audit & Risk Committee (on pages 60 to 62) and from the Remuneration Committee (on pages 63 to 67). The section 172 report (on pages 38 to 41) describes how the Board engages with stakeholders and considers their views (and other factors) when making decisions.

Rob Woodward
Chair

30 March 2022

Corporate governance report continued

QCA Code compliance

The main principles of the QCA Code are set out below, together with references to where more details about Ebiquity's compliance with them can be found.

Deliver growth

Principle 1	Establish a strategy and business model which promote long-term value for shareholders	Further details of the Company's business model and strategy are set out on pages 13 to 15.	»»
Principle 2	Seek to understand and meet shareholder needs and expectations	There is regular contact between the Company's shareholders and the Board. Further details are set out on page 59.	»»
Principle 3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Company's key stakeholders (in addition to shareholders) are employees, clients, suppliers and trade bodies. Details of the Company's stakeholder engagement can be found in the section 172 statement on pages 38 to 41.	»»
Principle 4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Board retains ultimate control and responsibility for the risk management of the Group. The risk management approach adopted by the Board is set out on pages 47 to 49.	»»

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QCA Code compliance continued

Maintain a dynamic management framework

Principle 5	Maintain the Board as a well-functioning, balanced team led by the Chair	Read more about the Board on pages 55 and 56.	»»
Principle 6	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	Biographies for each of the Directors are set out on pages 50 and 51. See also the section on Board evaluation on page 56.	»»
Principle 7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	A description of the most recent Board evaluation can be found on page 56.	»»
Principle 8	Promote a corporate culture that is based on ethical values and behaviours	Read more about Ebiquity's culture roadmap on pages 31 and 32 and in the section 172 statement on pages 38 to 41.	»»
Principle 9	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Read more throughout this corporate governance report.	»»

Build trust

Principle 10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Read more on page 59 and in the section 172 statement on pages 38 to 41.	»»
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The Board of Directors

Role of the Board

The Board is responsible for the strategic direction of the Group and the appropriate management of its resources. The Directors are also collectively responsible for acting in the way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of its shareholders as a whole. In doing so, the Directors have regard to the interests of employees and the need to foster business relationships with suppliers, customers, and other stakeholders, in addition to other relevant considerations. Further information on how the Directors fulfil their responsibilities and how the Board engages with the Company's key stakeholders can be found in the section 172 report on pages 38 to 41. A statement of the Directors' responsibilities in relation to the annual report and financial statements is set out on page 73.

The principal matters considered by the Board include:

- › The development and execution of strategy
- › The setting and implementation of the Group's vision, mission, values and standards
- › Ongoing performance against approved budgets and business plans, including KPIs
- › Risk management and internal controls
- › Financial results for the full and half year and dividend policy
- › Changes to the corporate, management or capital structure
- › Major capital projects
- › Board composition, Board and executive succession planning
- › Stakeholder engagement and feedback
- › Environmental, social and governance matters both internally and as part of Ebiquity's client offering
- › Corporate governance matters including approval of the remuneration policy and QCA Code compliance

As part of good corporate governance there are certain matters which are not appropriate to be delegated to management and which are reserved for consideration by the Board as a whole. The full list of such matters was reviewed and updated during the year and is available on the Company's website (www.ebiquity.com).

Composition of the Board

The Board currently comprises an independent Non-Executive Chair, four other independent Non-Executive Directors and two full-time Executive Directors. Lara Izlan joined the Board on 1 June 2021. After seven years on the Board, Tom Alexander will step down from the Board at the conclusion of this year's AGM.

The Chair's principal role is to lead the Board in determining the Group's future direction and strategy and monitoring the achievement of its agreed goals and objectives. With assistance from the Company Secretary, the Chair is responsible for setting the agenda for, and organising the business of, the Board as well as ensuring its effectiveness.

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The Board of Directors continued

Composition of the Board continued

The Chief Executive Officer is responsible for setting long-term strategy, developing appropriate business plans, agreeing management KPIs and leading the Executive Directors and senior leadership team in the day to day running of the Group's business. He is responsible for primary shareholder communications and ongoing relationships with investors and the Chair is also actively involved in maintaining communications with investors. The Chief Executive Officer and the Chief Financial & Operating Officer regularly meet with investors and analysts to discuss the performance of the business and its strategy. In addition, once a year, the Chair and Company Secretary invite investors to meet them to discuss corporate governance matters.

Biographical details of the Directors, including the committees on which they serve, are on pages 50 and 51.

Board evaluation

As part of this year's Board effectiveness review, the Board undertook a skills analysis, as a result of which it is satisfied that, between them, the Directors have the required skills, knowledge and experience to enable it to discharge its duties and responsibilities effectively. Particular strengths are expertise in client engagement, the advertising and media sector, international businesses, strategy and stakeholder management. Areas where there was less expertise (such as ESG and cybersecurity) will be addressed by Board updates and training and the use of appropriate advisers when and if required.

The evaluation process consisted of the Directors completing online questionnaires, which covered the following aspects of Board effectiveness:

- › The role of the Board
- › Board composition and structure
- › Board meetings, Board packs and the Board portal
- › Support for the Board
- › Stakeholders
- › Working together

In addition there were questions on the effectiveness of Board committees, the Chair, the Executive Directors collectively and the Non-Executive Directors collectively.

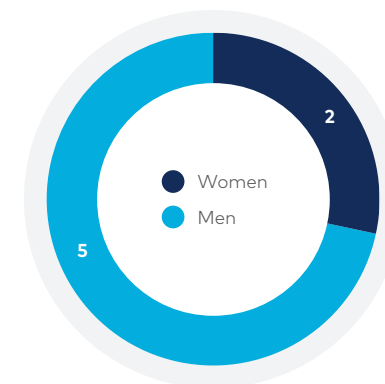
The results of the questionnaires were collated and analysed by the Company Secretary. All of the Directors and the Company Secretary also met with the Chair on a 1:1 basis to provide any more detailed feedback. The Board review output was considered at the next Board meeting where a number of recommendations were agreed. Overall, the feedback was very positive and showed an improvement on previous years.

The recommendations included:

- › Re-evaluating how the Board and Audit & Risk Committee oversee risk, taking account of the new ERM system being implemented within the business
- › Discussing Board and executive team succession and diversity and inclusion
- › Organising opportunities for the Board to meet and get to know emerging talent
- › Some additional topics for Board discussions
- › Some suggestions for improvements to Board papers

The Board will review progress with implementing the recommendations over the next 12 months.

Gender diversity



Tenure



Corporate governance report continued

Appointment, election and re-election of Directors

The Company's articles of association provide that each Director shall retire from office and be eligible for reappointment at the third annual general meeting after the one at which they were appointed or last reappointed. At this year's AGM, Alan Newman will retire and offer himself for re-election by shareholders. Having been appointed to the Board since the last AGM, Lara Izlan will be subject to election by shareholders at the AGM as well. The Board is satisfied that the contributions of Alan and Lara continue to be effective and that they demonstrate sufficient time commitment to their roles. The Board also believes that all of the Non-Executive Directors are independent. The Board acknowledges that Richard Nichols reached 13 years' tenure as a Non-Executive Director in November 2021. After careful review and consideration, the Board has determined that Richard remains independent in character and judgement in his role as a Non-Executive Director.

All Non-Executive Directors have letters of appointment which state their time commitment. Non-Executive Directors are required to commit an average of 12 days per year, including attending Board and committee meetings, the AGM and any other shareholder meetings. The Chair commits to four days per month carrying out his role. Further details about the number of Board and committee meetings held during the year and attendance at those meetings are set out on page 58.

Board meetings

During the year the Board met formally on 12 occasions.

The Board receives monthly management accounts and other relevant information as appropriate in advance of each Board meeting. This information is made available electronically via an online Board portal. Directors are able to access this information at any time, including after Board meetings. There are a number of standing agenda items reviewed by the Board at each regular Board meeting, including updates from the Chair, CEO, CFO and Company Secretary. Members of the Executive Leadership Team are invited to present to the Board from time to time. During the year the Board has received presentations from the regional business heads, the Chief Client Officer, the Chief Product Officer and the Chief People Officer. Detailed minutes are taken of all Board meetings, which are circulated to the Board and approved at the following Board meeting. The following matters were among those considered by the Board during the last year.

Strategy

During the year the Board received a detailed presentation on strategy as part of a regular Board meeting, following which it held a separate half day discussion on a number of proposals. At each subsequent Board meeting the CEO gave an update on progress.

Corporate culture

The Board receives regular reports on developments in corporate culture from the CEO and CPO. During the year it approved the Company's new statement of values. Further details of these initiatives can be found in the section 172 report on page 41.

The Board 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 established arrangements by which individuals may, in confidence, raise concerns about possible improprieties in matters of financial reporting and other matters. The Group has a code of conduct which extends to all of its business dealings and transactions everywhere that it operates.

The Company has a number of diversity working groups to ensure it functions as a diverse and inclusive organisation. There are regular 'all staff' webinars at which members of the senior management team update employees on plans and progress in the business. They also provide the opportunity for employees to ask questions on the topics under discussion.

Directors' conflicts of interest

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company Secretary keeps a register of the Directors' other interests and potential conflicts which is regularly reviewed and updated as necessary. At the beginning of each Board meeting the Directors confirm they have no conflicts of interest in relation to the matters being considered.

Risk management

The Company's approach to risk is set out on pages 47 to 49.

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Advisers to the Board and committees

All Directors have access to the advice of the Company Secretary, who attends all Board and committee meetings. The Board consults external advisers on various matters as and when appropriate. These include the Company's nomad and broker, Financial PR, legal, tax, and remuneration advisers. The Company's auditors attend meetings of the Audit & Risk Committee. Directors may take independent professional advice at the Company's expense as and when necessary to support the performance of their duties as directors of the Company.

Attendance at Board and committee meetings in 2021

(figures denote the number of meetings attended and the number of meetings the Director was eligible to attend)

Board member	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Rob Woodward	12/12	4/4	3/3	2/2
Nick Waters	11/12	2 ¹	2 ¹	2 ¹
Alan Newman	12/12	4 ¹	2 ¹	2 ¹
Tom Alexander	12/12	4/4	3/3	2/2
Julie Baddeley	12/12	3/3	3/3	2/2
Lara Izlan	4/5	2/3	0/0	0/0
Richard Nichols	12/12	4/4	1/1	2/2

1. Attended by invitation

Board committees

Committee membership

Audit & Risk Committee	Nomination Committee	Remuneration Committee
Richard Nichols (Chair)	Julie Baddeley (Chair)	Rob Woodward (Chair)
Tom Alexander	Tom Alexander	Tom Alexander
Julie Baddeley	Lara Izlan	Julie Baddeley
Lara Izlan	Richard Nichols	Lara Izlan
Rob Woodward	Rob Woodward	Richard Nichols

The Board has established several committees to support it in the performance of its functions. The principal committees are the Audit & Risk Committee, the Remuneration Committee, and the Nomination Committee. The Company Secretary acts as secretary to the committees and their terms of reference (which were reviewed and updated during the year) are available on the Group's website www.ebiquity.com.

Audit & Risk Committee

The Audit & Risk Committee is responsible for the overall financial reporting of the Company and Group and its report is on pages 60 and 62. The Board considers Richard Nichols to have recent and relevant financial experience as he is a qualified chartered accountant and has served as the finance director and chief executive officer of listed and private companies. The Chief Financial & Operating Officer also attends most meetings at the invitation of the Committee Chair.

The purpose of the Audit & Risk Committee is to ensure good financial practices are in place throughout the Group, to monitor that controls are in force to ensure the integrity of financial information, to review the interim and annual financial statements, to assess the adequacy and effectiveness of the Company's risk management systems, and to provide a line of communication between the Board and the external auditors. The Committee has access to the external auditors as well as those responsible for preparing financial information within the Group.

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Board committees continued

Remuneration Committee

The Remuneration 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 wider aspects of remuneration. The report of the Remuneration Committee is on pages 63 to 67. The Executive Directors may attend part of the meetings at the invitation of the Committee Chair but are not present for any discussions regarding their own remuneration.

Nomination Committee

The Nomination Committee meets as necessary and has responsibility for nominating candidates to the Board for appointment as directors, bearing in mind the benefits of diversity and a broad representation of skills across the Board. It also considers Board composition and Board and committee succession planning, including any relevant output from the Board evaluation.

Shareholder engagement

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 on the Company's website at www.ebiquity.com. The website contains details of all votes cast by shareholders at its Annual General Meeting and this is also announced after the meeting.

As set out in this corporate governance report, the Directors actively seek to build relationships with shareholders.

The CEO and CFO are responsible for shareholder liaison and present to the major shareholders and analysts after the publication of both the full and half-year results. As well as a presentation of the results, the meetings give shareholders the opportunity to ask any questions and discuss their needs and expectations. Once a year, the Chair invites major shareholders to meet to discuss corporate governance or other matters with him and the Company Secretary and they are both available at other times to deal with any shareholder enquiries.

The Remuneration Committee Chair consults with major shareholders before material changes are made to Executive Directors' remuneration. The AGM is an opportunity for all shareholders to meet the Board and ask any questions. In 2021 shareholders were invited to attend the meeting by videoconference, since meeting in person was not straightforward due to the pandemic restrictions in place, and several took advantage of this. Shareholders were also encouraged to submit questions in advance of the meeting by email and to appoint the Chair as their proxy so that their votes could be counted at the meeting.

Retail investors can submit routine enquiries about their shareholdings to the Company's registrars, whose contact details are on page 146 and send any other questions via the Company Secretary (CompanySecretary@ebiquity.com). They can sign up to receive email notification of regulatory announcements at www.ebiquity.com. A live share price chart is also available.