

Corporate Governance Statement

Principles of Corporate Governance

The Directors recognise the importance of sound corporate governance and confirm that the Group is complying with the QCA Corporate Governance Code (as devised by the QCA in consultation with a number of significant institutional small company investors). The QCA Code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures. The Directors have explained how each principle is applied below. The Directors consider that the Group does not depart from any of the principles of the QCA Code.

Establish a strategy and business model which promote long-term value for shareholders

The Group's strategy is reviewed by the Board on an annual basis at an offsite strategy event. The Group's strategy is to drive long-term value for shareholders from:

- Continued development of the Group's product offering;
- Revenue growth from both new and existing accounts;
- Realising opportunities in relevant new sectors and geographies; and
- Scaling the cost base efficiently with the objective of being EBITDA positive and then cash generative in line with management expectations.

Seek to understand and meet shareholder needs and expectations

In addition to shareholders being welcomed and provided the opportunity to speak to the Directors at the Annual General Meeting, the Group has a series of events designed to educate and listen to shareholders:

- Private investor sessions held twice per year for significant shareholders;
- Roadshows held twice per year for institutional investors;
- Annual event held covering general developments in the market and our business; and
- Equity analyst and sell-side briefings held throughout the year for broader investor insight.

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group's key stakeholders are its shareholders (see "Seek to understand and meet shareholder needs and expectations" above), employees, customers and suppliers. Each has their own communication and interaction strategy:

- **Employees:** The Group operates a weekly video-conference "town hall" for all employees that provides a business update and a forum to celebrate success and for employees to ask questions. In addition, an annual 'Company Day' is held and attended by all employees in person, providing strategic direction and Company objectives for the year ahead, a look back at progress and performance in the year and a recognition of those employees who have best demonstrated the Group's values. As part of the Group's values, we encourage employees to "get involved". The Group's clubs and societies such as netball, golf, theatre and hackathons all provide opportunities to do good and benefit society. The Group also has a charity committee which is responsible for organising events and identifying opportunities where the Group and its employees can assist those in need.
- **Customers:** All customer accounts have an assigned account management team who meet regularly with their respective clients to understand their business needs and how the Group can assist them in meeting their objectives. The Group issued an NPS (Net Promoter Score) survey for the first time in 2018 and has set up a working committee to ensure that key take outs from the survey are acted upon and an improvement has already been achieved in the second NPS survey conducted. The Group also holds an annual event that includes insight on the sector, an update from customers using the Group's technology, an update on the Group's product roadmap and an opportunity for clients to speak to each other and to members of the Group's executive leadership team.

- **Suppliers:** The Group's largest suppliers are for hosting and recruitment services. The relationships for suppliers in these categories are owned by the Chief Operating Officer/Chief Technology Officer and HR Director respectively. It is their role to meet the key suppliers on a timely basis to communicate the Group's business needs and the supplier's performance against expectations.

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

The Directors are responsible for the Group's system of internal controls and reviewing its effectiveness.

Although, no system of internal control can completely eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss, the Group's controls are designed to provide reasonable assurance over the reliability of financial information and the Group's assets.

The key controls are as follows:

- The Executive Directors have a close involvement with the day to day operations and, with the involvement of staff, identify business risks and monitor controls;
- There is a comprehensive process of financial reporting based on the annual budget that is approved by the Board. Monthly financial results are reported with analysis of key variances against expectations;
- The Corporate risk register is owned by the executive leadership team and is reviewed by the Board on a quarterly basis. The risk register considers the impact, probability, controls in place and any mitigating factors to be considered for each risk. Where applicable, it also sets out the risk treatment plan;
- In addition, the key risks are, where applicable, reflected in the Group's ISO 27001 statement of applicability which is monitored by the Group's Security Management Team and Information Security Committee; and
- Employees are encouraged to report any new risks through the Group's internal reporting procedures.

The Group's principle risks and uncertainties are set out in the Group's annual report.

There is currently no internal audit function as the Board and Audit Committee considers that given the Group's current stage of development, it is not necessary but this will be reviewed annually as the Group evolves.

Maintain the Board as a well-functioning, balanced team led by the chair and ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities

The Board is responsible to shareholders for the proper management of the Group. The non-executive directors have a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered.

In May 2018, the Board was deeply saddened by the death of Drew Thomson. Until that time, the Board comprised of the non-executive Chairman, who was independent at the time of appointment, three executive directors and three other non-executive directors. Of the non-executive directors, the Board considered two to be independent directors (Drew Thomson and Malcolm Wall). Due to the unfortunate circumstances of losing one of the independent non-executive directors, the Group is currently recruiting for a replacement with digital or brand expertise. The non-executive Directors have retail, media and technology business expertise.

The executive leadership team includes three members of the Board, the Chief Executive Officer (who has a retail background), the Chief Technology Officer (who has a technology background) and the Chief Financial Officer (who has a finance in technology businesses background).

The Board holds regular meetings and is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions and overseeing the Group's progress towards its goals. Each year, the non-executive directors are required to attend 10-12 board and board committee meetings as well as a whole day offsite strategy session, which helps to shape the Group's strategy for the coming year and beyond.

Details of each of the Board members and their background can be found on the Company's website at www.eagleeye.com/company/our-board.

Board Committees

The Board has two Committees with clearly defined terms of reference which are set by the Board, summaries of which can be found on the Company's website at www.eagleeye.com/investors/governance. The role, work and members of the committees are outlined below.

Meetings of the Board and its committees held during the Year and the attendance of the Directors are summarised below:

	Board meetings		Audit Committee		Remuneration Committee	
	Possible	Attended	Possible	Attended	Possible	Attended
Tim Mason	11	11	-	-	-	-
Steve Rothwell	11	11	-	-	-	-
Lucy Sharman-Munday	11	11	-	-	-	-
Bill Currie	11	10	3	3	-	-
Sir Terry Leahy	11	9	-	-	-	-
Drew Thomson	10	8	-	-	4	2
Malcolm Wall	11	11	3	3	4	4

The Board has a schedule of regular business, financial and operational matters and each board committee has compiled a schedule of work to ensure that all areas for which the Board has responsibility are addressed and reviewed during the course of the Year. The Company Secretary compiles the Board and committee papers which are circulated to Directors prior to meetings. The Company Secretary provides minutes of each meeting and every Director is aware of the right to have any concerns minuted and to seek independent advice at the Group's expense where appropriate.

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

The Board carries out an annual 360° board assessment that assesses the objectives, strategy and remit of the Board, performance management, risk management and the experience, skills and capabilities of the Directors to manage the business. and the assessment is owned by the Chairman. The executive leadership team has objectives that are fed from the Group's annual strategy session. Appraisals are held twice per annum and are discussed at the Remuneration Committee. The most recent Board assessment highlighted that the non-executive Directors did not specifically have individual objectives and this will be addressed in the year to June 2019.

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

The Group has six core values that employees are recruited by (as well as skill) and are remunerated by (as well as achievement of objectives). These are:

- Excellence
- Innovation
- Integrity
- Passion
- Fun
- Teamwork

Excellence encapsulates what the Group calls "the Purple Standard" and is what is looked for on a day to day basis from the Group's employees and suppliers.

The Board believes that a culture based on these values provides a competitive advantage and is consistent with fulfilment of the Group's strategy. The culture is monitored through the biannual employee appraisal process and through the use of a satisfaction and engagement survey which is performed annually. The executive leadership team reviews the key findings of the survey and determines whether any action is required.

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

In addition to the Board and its committees referred to under the section above entitled “Maintain the Board as a well-functioning, balanced team led by the chair and ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities”, the Group operates a number of sub-boards, each of which has a chairman and an Executive Director sponsor and are attended by a wider cross-section of key senior managers from across the business.

- The executive leadership team reviews the day to day operations against the business objectives set within the Group’s strategy;
- The Trading Board monitors the sales, strategic partnerships and project delivery required to achieve the targeted revenue growth;
- The Product Board monitors the product delivery against the roadmap and takes customer and market feeds to drive the innovation of the product that is discussed, debated and prioritised within this forum; and
- The People Board discusses all employee related matters, including reward and benefits, talent attraction and retention strategy, employee relations and recruitment.

Remuneration Committee

Until his untimely death, the Remuneration Committee was chaired by Drew Thomson and consisted of two non-executive directors, Drew Thomson and Malcolm Wall. Drew is yet to be replaced and the future composition of the Remuneration Committee will be determined by the Board following this appointment. The Committee is expected to meet no less than twice a year. Executive directors may attend meetings at the Committee’s invitation.

The Remuneration Committee is responsible for determining and agreeing with the Board the broad policy for the remuneration and employment terms of the Executive Directors, Chairman and other senior executives and, in consultation with the Chief Executive Officer, for determining the remuneration packages of such other members of the executive management of the Group as it is designated to consider. The Committee is also responsible for the review of, and making recommendations to the Board in connection with, share option plans and performance related pay and their associated targets, and for the oversight of employee benefit structures across the Group.

The remuneration of non-executive directors is a matter for the Board. No director may be involved in any decision as to their own remuneration. This Remuneration Committee report includes a summary of the remuneration policy and the Annual Report on Remuneration.

Audit Committee

The Audit Committee is chaired by Bill Currie, and consists of two non-executive directors, Bill Currie and Malcolm Wall. The Audit Committee meets formally not less than three times every year and otherwise as required. The external auditors are invited to each meeting and the Chief Executive Officer and Chief Financial Officer (together with members of the finance team as appropriate) attend by invitation.

The Committee assists the Board in meeting its responsibilities in respect of corporate governance, external financial reporting and internal controls, including, amongst other things, reviewing the Group’s annual financial statements, reviewing and monitoring the extent of the non-audit services undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group’s internal controls and risk management systems.

In fulfilment of these objectives the Committee:

- reviews the Group’s financial statements and finance-related announcements, including compliance with statutory and listing requirements. Compliance is reviewed each year with the Chief Financial Officer and enhancements are made as appropriate;
- considers whether these statements and announcements provide a fair, balanced and understandable view of the Group’s strategy and performance, and of the associated risks. Further consideration of these matters is also provided by the Board as a whole;
- considers the appropriateness of accounting policies and significant accounting judgements and the disclosure of these in the financial statements;
- reviews the effectiveness of financial controls and systems. The Group does not have an internal audit function and the Committee continues to be of the view that the Group is not yet of a size and complexity to warrant the establishment of such a function; and
- oversees the relationship with and performance of the external auditors.

Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Communications with shareholders are set out above under “Seek to understand and meet shareholder needs and expectations”. Meetings with analysts and institutional shareholders are held following the interim and full year results and on an ad-hoc basis. These meetings are usually held by the CEO and the CFO. There is an opportunity at the annual general meeting for individual shareholders to raise general business matters. Notice of the annual general meeting is provided at least 21 days in advance of the meeting being held.

Additionally, communications with other relevant stakeholders are set out above under “Take into account wider stakeholder and social responsibilities and their implications for long-term success”. The Group’s informative website contains information to be of interest to new and existing investors. In addition, the Group retains the services of a financial PR consultancy, providing an additional contact avenue for investors.

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