

JAYWING

Statement of Compliance with the QCA Corporate Governance Code

Chairman's Introduction

This report is prepared by the Board and describes how the principles of corporate governance are applied, to the extent applicable for a Company the size of Jaywing Plc. The Board has adopted the QCA Corporate Governance Code and considers that the Company complies with each of the principles of the Code. The following should be noted with regard to the independence of the Company's Non-Executive Directors.

The Board considers Philip Hanson, a Non-Executive Director, to be independent. The Board notes that Ian Robinson and Mark Carrington are associated with one of the Company's major shareholders which could appear to impair their independence for the purposes of the Code. However, the Board considers that both Ian Robinson and Mark Carrington are able to bring an independent view to bear on all matters dealt with by the Board and its various Committees. Independence is a board judgement.

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

Jaywing is an award-winning, data-science-led performance marketing and consulting business operating in the UK and Australia.

Jaywing helps its clients find smart solutions to deliver profit growth and build brand value. It uses its unique expertise to create compelling insights from complex customer behaviour and builds these into effective digital marketing, customer engagement and portfolio management activities.

In the UK, the business reorganised its operational structure in August 2020 to focus on three core sectors: Retail, FMCG and Financial Services, each of which accounts for around a third of revenues. Within these three go-to-market channels, Jaywing also services clients in Education, Not-for-Profit, Travel & Leisure, Technology, Utilities, Oil & Gas, and Hospitality. Typical clients are divisions of FTSE 250 companies, other large corporates and entrepreneurially-led high-growth businesses.

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

The Company remains committed to listening to and communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood.

Private shareholders

The Annual General Meeting ("AGM") is the main forum for dialogue with retail shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are subsequently published via RNS.

Institutional and other major shareholders

The Board as a whole is kept informed of the views and concerns of major shareholders, along with any significant investment reports from analysts and feedback from our broker, Cenkos Securities plc. Members of the Board are available to meet with major shareholders if required to discuss issues of importance to them.

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

The Company recognises the importance of establishing good relationships and regular open communication with all our different stakeholders. The Company's key stakeholders include employees, clients and suppliers and engaging with our stakeholders ensures the Company strengthens our relationships and helps the Company obtain better feedback and insights. By listening to their feedback this help the Board to understand the issues that matter most to them and our business and enables us to make better business decisions and deliver on our commitments

Clients

The Company regularly communicates with its clients through initiatives that have been put in place to strengthen these relationships and include the following:

- Clear client account ownership via account management teams
- "Thought leadership" strategy sessions and client focused problem solving
- Case studies to demonstrate the products and services for the business

Suppliers

- Throughout the organisation each supplier has a designated contact to ensure performance is evaluated and feedback is obtained.

We aim to keep ourselves updated on any companies suspected of modern slavery by performing an annual desk research review of our biggest suppliers. If we discovered impropriety via this or any other mechanism, we would react, as necessary.

Employees

Our employees are one of the most important stakeholder groups for the Company. Consequently, formal employee engagement surveys and any other employee feedback is and will continue to be monitored and reviewed by the Board to ensure alignment of interests.

We set and practice high standards of governance to ensure that we comply with the requirements of the 2012 Equality Act and raise employment standards for all of our employees.

Our Corporate Social Responsibility policy sets out our policy on a range of matters including equality, modern slavery, and human trafficking, in relation to our own organisation and the organisation we deal with as suppliers or clients. This can be found here:

<https://investors.jaywing.com/about>

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

The principal risks and uncertainties facing the Company are set out in the 2020 Annual Report on page 12, which can be found on the Company's website. This section also details how these risks are mitigated. They are also subject to regular review by the Audit Committee.

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Both the Board and the Executive Team are responsible for reviewing and evaluating risk and the Company utilises regular management meetings and non-regulatory committees, such as Policy Steering Committee in order to regularly review risks and report this to the Board.

Audit, risk, and internal controls framework:

- The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the executive management and the audit committee as an ongoing assessment of significant risks facing the Company at the time of review.
- The Audit Committee assists the Board in its duties regarding the financial statements, accounting policies and ensuring the adequacy and effectiveness of the Company's internal business, and operational and financial controls.

The Audit Committee meets not less than twice annually with the Company's external auditor to review and approve the half-yearly and annual reports and to oversee the monitoring of the adequacy and effectiveness of the Group's internal controls, accounting policies and financial reporting and provide a forum for reporting by the Group's external auditor.

Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chair

The Board comprises the Non-Executive Chairman, one Executive Directors and two Non-Executive Directors. The Board maintains a suitable balance between independence and knowledge of the Company and its market, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, both operational and strategic. The Company believes stability of the Board is essential to the execution of long-term strategic plans.

The Board considers Philip Hanson, a Non-Executive Director, to be independent. Currently, the absence of a second independent Non-Executive Director is a departure from the code.

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board

Further information on the board's skill set, including biographies of each director and their relevant expertise can be found on the Company's website in the investors section.

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

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience for the market in which the Company operates together with the financial and general management skills, including accounting practices and broader plc governance experience, to deliver the necessary input to and oversight of the different opportunities and threats the Company faces.

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

The Chairman assesses the individual contributions of each of the members of the Board to ensure that:

- Their contribution is relevant and effective
- That they are committed
- Where relevant, they have maintained their independence

The Chairman currently assesses the performance of the Board on an informal continual basis taking into account the contribution each Director makes to the business.

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

The Board aims to lead by example and do what is in the best interests of the Company. Our culture is highly collaborative with specialists from across the business encouraged to work closely together, with honesty and integrity, and value the contribution that each person makes and always act in the best interests of the client. The Company is committed to providing the highest level of service to all our clients.

Staff are aware that any unlawful or unethical practices will not be tolerated and will result in dismissal. There is a Whistleblowing policy in place and staff undertake online training on this and other policies, such as Corporate Social Responsibility, annually.

The Company has developed a set of company values to reflect high standard of ethical values and behaviours. These have been launched in October 2020. All employees were invited to feedback on the company values during a series of management presentations and events. The Board will evaluate whether the Company's values are being recognised through regular feedback to the Board.

The Company is committed to being an equal opportunities employer, addressing its corporate social responsibility and promoting equality and diversity across its workforce.

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

Board programme

The Board meets at least six times each year. A schedule of dates is compiled before the beginning of each financial year for that year's six Board meetings, aligned as optimally as possible with the Company's financial and trading calendars, while also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required.

Before each meeting, a formal agenda is produced, and The Board and its Committees receive relevant papers several days before meetings take place. Each matter is discussed, and any Director may challenge Company proposals, after which decisions are taken by the Board. Should any Director have any concern that remains unresolved, they may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. The Board or relevant Committee may agree actions, which are then followed up by the Company's Executive Team.

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Roles of the Board, Chairman and Chief Executive Officer

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy; approval of major investments (whether Capital or Operational); approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets and their performance in relation to those budgets and other business performance measures.

There is a clear division of responsibilities. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the Executive Team.

All Directors regularly receive relevant and timely information on the Group's operational and financial performance in advance of meetings. Where appropriate, senior executives below Board level may attend Board meetings to present business updates. Board meetings throughout the year are held at the Company's various office locations. In particular, this gives the Non-Executive Directors access to the different divisions to gain a greater understanding of the Group's activities.

Executive Team

The Executive Team consists of the Chief Executive Officer and Chief Financial Officer and with input from the divisional managers and teams. They are responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the Group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans, budgets and other performance measures approved by the Board of Directors. It also manages and oversees key risks, management development and corporate responsibility programmes. The Chief Executive Officer reports to the plc Board on issues, progress and recommendations for change.

Board committees

The Board is supported by the Audit, Remuneration and Nomination committees. Each committee has access to any resources, information and advice it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The terms of reference of each committee are available on the Jaywing plc investors' website.

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 the Annual Report and Accounts, full-year and half-year announcements, RNS and RNS Reach for significant developments, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders. A range of corporate information, including all Company announcements, is also available to shareholders, investors and the public on the Company's investor website, <https://investors.jaywing.com/>

The Board receives regular updates on the views of shareholders through briefings and reports from other members of the Board and the Company's brokers.

Client and customer feedback is gathered through regular client meetings and reporting and client surveys. The Company regularly seeks feedback from employees through a number of mechanisms. This information is used to improve service in general as well as addressing any specific concerns.