

Chairman's Introduction



Ken Davy



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As Chairman of The SimplyBiz Group (“the “Group”), I am delighted to introduce the Group’s statement of compliance with the QCA Corporate Governance Code.

The Board of The SimplyBiz Group plc is committed to ensuring sound governance arrangements are embedded.

The Board has, since its IPO in 2018, adopted the Quoted Companies Alliance Corporate Governance Code, which it believes is the governance framework that is most suitable for the Group, its subsidiaries and subsidiary undertakings, having regard to its strategy as well as its size, nature and resources.

It is the Board’s responsibility to ensure that the Group is managed in the long-term interests of all shareholders and stakeholders in the business.

The Board believes a strong and effective corporate governance culture is critical in this respect, as we endeavour to grow a resilient and sustainable business for the benefit of our shareholders, customers, people, and suppliers.

The QCA code is constructed around ten broad principles and the report below sets out how we comply with the code. Compliance with the code will be reviewed and updated annually.

Ken Davy
Non-Executive Chairman

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The Group continues to use the QCA Corporate Governance Code ("QCA") as its recognized corporate code. The QCA is based on ten broad principles and a corresponding set of disclosures, and states what they consider to be appropriate arrangements for growing companies and ask them to provide an explanation about how they are meeting each principle through various disclosures.

The Board believes that it does not depart from any of the principles of the QCA.

Outlined below is a high-level summary of the Group's compliance with the QCA Code principles as at the date of this statement. The Board will provide annual updates on the Group's compliance with the QCA Code in its annual report and accounts and on its website.

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

- The Group's business model creates better outcomes for all stakeholders and is built on a strategy of being customer-led, data-driven and innovative. Its platform is robust and scalable, ready for future expansion and growth.
- The Group has a documented strategic plan which focuses on expanding the business with a view to growth in shareholder value; The strategy focuses on three core aims of being customer-led; data driven and innovative.
- The strategy is kept under regular review by the Board.
- The Group maintains a progressive dividend policy to promote the long-term value return for shareholders.

A more detailed view of the Group's business model and strategy is available within our Annual Report and Accounts.

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

- The Group complies with this provision by engaging with its shareholders via numerous channels including:
 - Shareholder roadshows which are held following interim results statements and again following full year results announcements to share results, articulate strategy and update shareholders on progress.
 - Trading and other statements which are made via the stock exchange during the year.
 - Ad-hoc shareholder meetings.
 - Our Annual General Meeting, in which all investors are encouraged to participate; and
 - Direct contact from shareholders - contact details are included in all announcements and are available on the Group website.

Feedback from these channels are discussed by the Board and, as appropriate, with our advisor teams to ensure solid understanding of the shareholder voice.

For any investor relations queries, please get in touch with us at: Investor-Relations@simplybiz.co.uk

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

The Group maintains its reputation of integrity, transparency and delivering on its promises. This has allowed it to build strong and mutually beneficial relationships with consumers, financial intermediaries, employers and employees, product providers and regulators.

For employees - The professional, expert and passionate employees of the Group deliver the highest quality of service to our customers. The Group continues to invest in the retention and development of its staff.

For our customers and our industry - The Group's customers are vital in delivering the financial wellbeing and security of families and businesses throughout the UK. Their success contributes to effective markets and better outcomes for society and the economy. The Group is committed to ensuring the continued success and growth of our customers and promoting broader access to financial advice and financial education.

For our shareholders - The Group provides transparent and clear information to ensure that our shareholders understand the company they are invested in. We are fully committed and have procedures in place to ensure shareholder engagement (see Principle 2).

For our community - The Group has an established Charity Committee whose successes are celebrated on our website. We are conscious of our broader environmental responsibilities and maintain a range of initiatives to understand and reduce our impact on the environment.

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

- The Board is responsible for oversight of risks to safeguard that the business is exposed to neither unnecessary risks nor insufficient management of those risks.
- We understand that some risks are inherent in our business activities and can relate to internal and external strategic threats, operational issues, compliance with laws and our reporting obligations.
- We recognise that not all risks are created equal, and that it is both practical and appropriate to put in place a system of assessing both the likelihood of a risk event occurring and also the impact a realised risk would have on our operations. Our assessment system provides a grading of risks by multiplying a value based on the impact of the risk by a value based on the likelihood of its occurrence and, dependent on the final value, they are categorised as minor, moderate or major risks.
- Principal risks are monitored and overseen by our Board and Audit Committee whilst oversight of the remaining lower materiality risks rests with our Governance Committee and our risk owners.

A summary of the current principal risks, mitigating actions and status are contained within our Annual Report and Accounts.

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

- The Group Board is comprised of three executive directors and three non-executive directors (NEDs) (including the Chairman). Two of the non-executive directors are considered to be independent. Since the last statement of compliance, the following changes to the Board are noted:
 - Tim Trotter elected to stand down at the 2020 AGM. A thorough review of the board composition and skills was conducted by the Nominations Committee and it was determined that a replacement Non-Executive Director was desirable. A detailed brief was prepared outlining the skills and competencies needed from the new Non-Executive Director and a robust and structured recruitment process is now underway.
 - As part of the Group's succession planning, Gary Hughes was appointed as Deputy Chairman from 27th April 2020. It is planned that Mr Hughes will be appointed as Chairman of the Group at the 2021 AGM, and current Chairman and founder, Ken Davy, will take up the role of Deputy Chairman at that time.
- All Board members have clearly defined roles and responsibilities. We have articulated these roles and responsibilities and have clearly documented matters reserved for the Board as well as having clear and transparent terms of reference for all the committees of the Board. These can be found on the Company's website.
- The Company complies with this provision and a full disclosure of how this is applied is set out in the Report and Accounts covering director independence, time commitment and number of meetings of the Board.

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

- The Nomination Committee has delegated authority from the board to ensure that a regular, thorough, and unbiased evaluation is undertaken of the structure, size, composition, balance of skills, knowledge and experience of the Board
- Where necessary, the Committee recommends any proposed changes to the composition of the Board and initiates and oversees the recruitment process.
- The Committee continues to develop succession plans in respect of the Board to ensure that there is an ongoing review of the skills and experience on the Board. The Committee also provides guidance and monitors succession plans, talent assessment and development plans at senior and mid-management level.
- The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience required to execute the Group's strategy.

Full biographical details of the Directors are available on our website and within the Annual Report.

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

- The evaluation of the Board is also carried out internally by way of a self-evaluation questionnaire. The questionnaire includes a focus on Board composition and expertise, the Board's role in setting strategy, its understanding of risks facing the Group, succession planning and the effectiveness of the Board Committees.
- The Board regards the evaluation process as an important way to monitor the progress made over the years. No significant issues that require improvement are highlighted. However, given the increasing scale and size of the Group this remains a key area of focus and an extensive review of the Board composition and skill requirements is underway during 2020

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

- The Board is committed to promoting a strong ethical and values driven culture throughout the organisation. We are continuing to develop and communicate a set of values that explain how we are as a Company and what is important to us.
- Our people are at the core of what we do. Having a people-oriented ethos, where teamwork and commitment are recognised, is central to the success of our strategy. We pride ourselves on nurturing talent, with a number of our colleagues being supported through professional qualifications and work-based training programmes.
- We understand that people need to enjoy what they do, we recognise those who demonstrate our values both informally and through recognition schemes.
- We have set policies and procedures in place to ensure our colleagues know the standards that are expected of them. Where concerns are identified, we have formal processes in place to investigate and address any areas where we consider individuals have not acted in an appropriate manner.

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

- The Board typically meets eight times per year. Additional meetings are held as necessary. A formal Board programme is agreed before the start of each financial year. This is structured, as far as possible, to align with the Group's annual financial programme.
- In addition, the Board receives presentations from operational management. During the year, the Chairman also arranges calls and face to face meetings of the non-executive directors. These provide an informal opportunity to align views and determine areas of focus at future Board meetings.
- The Board is committed to a process of continuous improvement in its governance approach and aims to enhance and develop compliance with best practice.
- The Board is supported by the Audit, Nomination and Remuneration committees, each chaired by one of our Non-Executive Directors. The membership and terms of reference of each committee are included on the Company's website

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

- The Group communicates with Shareholders through half yearly trading updates and, as required, holds one-to-one meetings with existing or potential new shareholders (see principle 2 above).
 - The Corporate Governance Statement in the Annual Report contains a detailed description of the way in which the Group is governed and includes reports from the three Board Committees outlining the work undertaken during the year.
 - The Company's website includes the outcomes of Shareholder votes cast at the AGM and historic annual accounts and AGM notices (since the Group's admission to AIM).
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