

CORPORATE GOVERNANCE STATEMENT

We have set out this year's statement using the ten principles from the QCA Code.

Deliver Growth

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

Our vision is to be the leader in identity data intelligence, informing business decisions between people and organisations globally. Our strategy is to create and maintain unique online products and services that give our customers added value and are strong enough to let us create new markets and win new business. We achieve this by investing in people, business and product development and applying innovation, quality and excellence in everything we do.

Our strategy, business model and business operations are in the Strategic Review of this Annual Report on pages 9 to 15. The Executive Team, led by the Chief Executive, is responsible for recommending the Group's strategy to the Board, based on the interests of our shareholders, customers, employees and other stakeholders. The Board is fully involved in discussing and developing our strategy and business model with the Executive Team before we implement it. The Executive Team is then responsible for putting the strategy into action and managing the business day-to-day.

As they follow our strategy and operational plans, the Executive and Management teams will usually face day-to-day challenges that we see as our principal risks and uncertainties. We have agreed steps to mitigate them and we always look to follow these steps whenever the risks appear. You can find more details of our internal control and risk management process on pages 24 to 32.

We believe that our AIM listing is still valuable to our shareholders in the long term. It gives us access to capital markets, flexibility to make acquisitions, the ability to incentivise and reward management through share schemes and a regulatory environment appropriate to the size of the Group.

Our progressive dividend policy and share performance over the last five years are also indicators of long-term value for our shareholders, although the Board took the decision to not declare a final dividend in respect of financial year 2020 due to the Covid-19 pandemic. Further information relating to this can be found in the Chairman's Statement on page 8. You can see total shareholder return in the Remuneration Committee Report on page 62.

2. Seek to understand and meet shareholder needs and expectations

We keep in regular touch with existing and potential new shareholders to report strategy and progress and understand what they need and expect. You can find more on how we do this on the Investor section of our website: <https://www.gbgplc.com/investors>

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

We work constantly to strengthen our relationships with our stakeholders as this helps us make better business decisions and deliver on our commitments. We take our corporate social responsibilities seriously. That means maintaining effective working relationships with stakeholders, including our people, partners, customers, suppliers and regulatory authorities. There is more detail on how we do this in our Corporate Responsibility Statement on pages 33 to 39, as well as in the Investor section of our website: www.gbgplc.com/investors. This is also set out in the Directors Report through our Section 172 Statement on pages 68 to 70.

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

Risk management and controls

Our main corporate objective is to maximise long-term value to all of our stakeholders. Our Directors recognise that creating this value is the reward for taking business risks. The Board's policy on risk management covers all significant business risks to the Group, including financial, operational and compliance risks that could be barriers to achieving our business objectives.

We base our regular and exceptional reporting to management and the Board on monitoring risk and control processes across headline risk areas and other business-specific risk areas. We have designed our risk assessment and reporting criteria to give the Board a consistent, Group-wide perspective of the key risks. Regular reports to the Board include an assessment of how likely risks are to materialise and the impact they would have if they did, as well as what steps we are taking to mitigate risk and how effective these are.

The Board has overall responsibility for our approach to assessing risk and systems of internal control and for monitoring how effective they are. Any system of internal control has inherent limitations. The system is designed to manage risks rather than eliminate them. It provides only reasonable and not absolute assurance against material misstatement or loss and flags any new and material risks to the Board.

The Board believes risk assessment and control, with an acceptable risk/reward profile, is fundamental to achieving our corporate objectives. We confirm that there is an ongoing process to identify, evaluate and manage the significant risks the Group faces and the effectiveness of related controls.

You can see a summary of the principal risks and uncertainties facing the Group, as well as what we do to mitigate them, on pages 24 to 32.

Budgets

For the 2020 financial year, GBG completed its annual, comprehensive budgeting process which the Board reviewed and approved. During the 2020 financial year the Board received regular reports on our results, compared with both budget and the previous year.

The budgeting process for the 2021 financial year was well progressed by March 2020, however, the events of Covid-19 and the uncertainties this placed on agreeing any meaningful and accurate budget meant that the final review and approval process was postponed. Instead, the Board receives weekly updates from the Executive Directors on the financial performance of the Group (including, but not limited to, revenue, growth and cash) in order to monitor progress, trends and assessment of the Group banking covenants. The Board will commence a budgeting process as soon as circumstances and certainty in our markets improve to support this exercise.

The Board has undertaken a rigorous and in-depth assessment of GBG's financial position and outlook and has adopted the going concern principle in preparing these financial statements, as described in note 2.2 of the accounts.

Insurance

We have comprehensive insurance cover against material loss or claims against GBG. We are also covered for actions taken against the Directors because of their roles. Each year, we review the sums we insure and what type of cover we have.

Maintain a Dynamic Management Framework

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

The Board is made up of the Non-Executive Chairman, David Rasche; three Executive Directors, Chris Clark, Dave Wilson and Nick Brown; and three Non-Executive Directors, Liz Catchpole, Charmaine Carmichael and Natalie Gammon. In the Board's opinion, Liz, Charmaine and Natalie are independent in character and judgement. The Board has considered David Rasche's length of service and is confident that he is still independent in character and judgement, however, in line with best practice he will be subject to annual re-election.

The Executive Directors all work full-time for the Group. The Non-Executive Directors work part-time, alongside other commitments outside of GBG. A summary of these commitments appears in their biographies on pages 40 to 41. In the Chairman's opinion, having consulted with the other directors, each member of the Board gives the right amount of time to fulfil their responsibilities.

All the Directors are elected by shareholders at the first AGM after they have been appointed to the Board. They then put themselves up for re-election at least once every three years, in line with our Articles of Association. To see which Directors are looking to be reappointed at the 2020 AGM, see the Directors' Report on pages 64 to 66 and the Notice of AGM. The service agreements for each of the Directors are available from our registered office in Chester.

The Board has a formal schedule of matters reserved for it to decide on, which is available on our website. The Board meets regularly to review trading performance, review risks, make sure we have enough funding, set and monitor strategy, examine major business opportunities and report to shareholders.

Our approved annual calendar of Board meetings makes sure the Board meets regularly at scheduled times. Besides these, the Board also meets to deal with urgent business whenever needed and is provided with all relevant information in advance. For example, the full Board has met on a weekly basis since the onset of the Covid-19 pandemic. The Non-Executive Directors have also met during the year without the Executive Directors and Chairman.

CORPORATE GOVERNANCE STATEMENT

In the year to 31 March 2020, the Board met 9 times. The table below shows what proportion of meetings each member attended.

Percentage Attendance



* Natalie joined GBG in November 2019 and her attendance is based on the number of meetings since her start date.

In response to the Covid-19 pandemic, the Board has been meeting weekly since 24 March 2020 and receives update reports from the Executive Directors on matters relating to our people, financial health, customers, operations, governance and competitors. There has been full attendance of the Directors at these meetings.

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

We have included the Directors' biographies on pages 40 to 41, showing their experience and skills, along with their Committee memberships. The Board is satisfied that it currently has the right balance of experience, skills, independence and expertise for the business. Each member of the Board understands the need to maintain their skills, which includes roles and experience with other boards and organisations as well as formal training.

During the year, the Directors received business updates and have had full access to the Company Secretary and external advisors (including GBG's auditor, NOMAD and remuneration consultants) on corporate governance matters.

GBG appointed Liz Catchpole as its Senior Independent Director (the 'SID') to give shareholders another channel of communication and to be an intermediary for the other Directors where they need it. All Directors can get independent professional advice on the Group's affairs, at the Group's expense, though no Director did so this year.

Led by the SID, the Non-Executive Directors meet without the Chair at least once a year to appraise the Chair's performance. The SID is also available to deputise for the Chairman at meetings or events.

To help keep the Board and the company stable, the SID may intervene at stressful times and work with the Chairman and other Directors and/or shareholders to deal with significant issues.

The Chairman regularly meets the Chief Executive and other Directors to discuss progress and how the Board is performing. Each Board member is ultimately responsible for their professional development and keeping their skills and knowledge up to date.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Evaluations

Every year, we ask each Board member to complete an online questionnaire as part of our Board evaluation process. This is a chance to comment and suggest improvements. The responses go to the Chairman in a detailed report and actions go to the Board to discuss and take forward.

The Board gets external evaluation of its performance at least every three years.

Last year we reported that Springboard had run an evaluation of the Board in February and March 2019. The process involved detailed questionnaires and observing the Board in action to assess it, as well as the Committees and make sure it is fully equipped to give the Group the support it needs.

The areas they highlighted to focus on were mainly ones the Board had already pinpointed in its development road map, including:

1. improved visibility of management succession and capacity planning
2. further use of external advisors and appoint an internal auditor
3. Board composition and balance

Since then, we have taken steps to improve our reviews of succession planning from operational and strategic standpoints. Also, we now have a larger panel of advisors for corporate transactions and have appointed BDO LLP as GBG's internal auditor. We have also strengthened the make-up of the Board with an additional Non-Executive Director. The Board is committed to continual improvement and further development of its processes, policies and procedures.

As well as evaluating the Board and its Committees, we evaluate individual Directors through peer-group meetings. The Non-Executive and Executive Directors monitor, evaluate and appraise each other's performance. The Non-Executive Directors also meet at least once a year to appraise the Chair's performance.

The appraisal process lets the Board see whether a Director is contributing effectively and showing commitment to the role. Under the process, the Chairman or Chief Executive Officer takes up any performance issues with the individual Director and the Chairman assesses whether they need any training and development.

The Chairman also regularly meets with the Chief Executive Officer and the other Directors outside of the Board meetings to discuss progress and performance of the Group and the Board.

Appointments to the Board

We fill vacancies on the Board after evaluating candidates with the right balance of skills, knowledge and experience. We assess whether or not to use recruitment consultants on a case-by-case basis. New Directors receive a formal induction covering guidance about the workings of the Board and its Committees and also meet with senior managers of the Group for detailed information and presentations on Group strategy, products and services. We appointed Natalie Gammon as a Non-Executive Director this year and this induction process detailed above was followed.

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

Information on our corporate culture, values and behaviours is in our Chairman's Letter on page 42 and in our Corporate Responsibility Report on pages 33 to 38.

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

You can find information on how we comply with this principle in the Investors section of our website, as well as in the Audit & Risk Committee Report on pages 48 to 51, the Nomination Committee Report on page 63 and the Remuneration Committee Report on pages 52 to 60.

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

It is the Chairman's responsibility to:

- communicate with shareholders and make sure that the Board knows about any concerns
- make sure members of the Board, particularly the Non-Executive Directors, understand major shareholders' views about the Group
- make sure the Board keeps its integrity and effectiveness.

It is very important to us to communicate regularly with our various stakeholder groups in a clear, fair and accurate way. We update our website regularly, particularly the Investors section and users can register for emails about our announcements.

Our main ways of communicating with shareholders are the Annual Report and Accounts, full-year and half-year announcements, the AGM and GBG Investor Roadshows.

You can read our financial reports and AGM Notices for the past five years on our website.

We announce the results of voting on all AGM resolutions shortly after the AGM itself. We also post a more detailed analysis of voting at general meetings on our website. This includes any actions we would propose to take as a result where at least 20 percent of shareholders voted against a resolution.

As part of our programme of keeping investors informed, we also held our capital markets event in 2019, focussing on the GBG Identity solution area. Here, we discussed our strategic direction and highlighted how we are winning in a multi-billion dollar global market by expanding into new geographies and sectors, focussing on the end-to-end customer lifecycle and using M&A to enhance capability and reach. Copies of the video presentation and support material of the event (and past events) can be found on the Investor section of our website.