

Governance arrangements



A word from our Chairman

In a nutshell, it's the Board's job to ensure we're doing the right things. That's the right things by our shareholders, our customers, our suppliers, our people and society in general. It's also our job to provide leadership; we make sure we know the direction we're heading in, that it's the right direction and that the team has got what it needs to get there.

As chair, I lead the Board and it is my role is to ensure that the Group's corporate governance model is properly adopted, delivered and communicated. I am responsible for ensuring that the board agenda concentrates on the key issues, both operational and financial, and that we as a Board are regularly reviewing the Group's strategy and its implementation. I work with our CEO, Daniel Rabie, and our CFO, Paul Haworth, to ensure that the rest of the Board receives accurate, timely and clear information and that there are good information flows between senior management and the Board. I am a non-executive director, so I am not involved in the day-to-day running of the business; this enables me to make independent decisions.

We have elected to adopt the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). We believe this provides an appropriate framework for smaller growth businesses in which the application of good governance needs to be sensitive to the need to foster an entrepreneurial dynamism.

Below we address each of the 10 principles of the QCA Code and their application within GetBusy. We welcome feedback from shareholders and those seeking to invest on our governance arrangements and how we communicate them; if you would like to share your views or have any queries, please contact us at investors@getbusy.com.

With best regards



Miles Jakeman

“it's the Board's job to ensure we're doing the right things by our shareholders, our customers, our people and society”.

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

Our mission is to **make people productive and happy**. We have a really meaningful set of values that we live by as we seek to accomplish that mission; you can read about them [here](#).

We aim to deliver long-term sustainable growth. We won't chase short-term results at the expense of the longer-term. Shareholder value will be maximised by growing our base of high-quality recurring subscription revenues, particularly for our cloud-based products; recurring revenue is sustainable, predictable and growth-enabling.

Our growth will be driven by the following activities:

- **Geographical expansion** of existing products into markets with favourable conditions and low competition. Where possible we will leverage our existing capabilities, infrastructure and channels.
- **Expansion into new vertical markets.** In 2017 58% of our revenue was from the accounting and bookkeeping market. We will continue to identify and test new vertical markets in which fundamental challenges can be solved by our products, diversifying the industries from which we generate revenue.
- Focus on **high quality recurring subscription revenues**. We will transition the UK model from a mixture of upfront licence and subscription contracts to pure subscription.
- **Improve monetisation of existing customer and user base.** We have over 1 million users of our portals and in 2017 836,000 digital signatures were executed through our products. We will identify opportunities to deliver more value to these users and better monetise user activities.
- **New product development** such as our GetBusy product which will move us into the business-to-business communication space as well as providing a richer experience for our existing portal users.
- **Carefully selected acquisitions** that meet strict criteria.

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

We **engage with all shareholders** through a range of mechanisms, including but not limited to:

- **Providing quality documentation** and/or notifications relating to GetBusy activities through the corporate regulators, our website and media as appropriate;
- **Encouraging all shareholders to engage with the Company** by reading these materials and contacting us if they have any queries or concerns through our investors@getbusy.com e-mail address or through seeking face-to-face meetings as appropriate;
- Ensuring **we respond to all investor queries**, however received;
- **Inviting all shareholders to participate** in annual general meetings and extraordinary general meetings (as necessary); and,
- Holding **biannual sessions** between the Company – usually represented by the CEO, CFO and Chair – with significant shareholders.

We also note that **brokers and proxy adviser companies** play an increasing role in the voting choices of shareholders. Accordingly, we engage actively with such advisers in order to explain more fully our strategy, operations, financials, governance, and other market-related issues they may have on behalf of investors.

We recognise that a significant proportion of our shareholder base is based overseas and it is expensive to travel to meet in person with management. Naturally it may be more challenging for those shareholders to meet in person with management. Consequently, we are **examining the feasibility of a Digital AGM** in the future, which will also enable 'virtual' attendance.

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

Our business model relies on our relationships with customers, staff, some suppliers and certain integration and channel partners. We also take seriously our social, environmental and ethical responsibilities to the local and national communities in which we operate.

One of our core values is that every customer experience must include a smile. This really means something to everyone in our business. We are constantly obtaining feedback from our customers, responding quickly to any areas in which we fall short. We quantify customer feedback and this gets reported on a regular basis to the leadership team.

To execute our strategy **it is critical that we have the right team.** That means the right skillsets but more importantly it means the people we work with need to share our values. We operate a very flat management structure; we encourage staff in all roles to engage with our leadership team and direct lines of communication with the CEO and CFO are always open. We've introduced the GetBusy Legends Liaison survey to enable benchmarking against similar businesses so we can improve the GetBusy experience for our people.

Generally our business is **not reliant on any individual supplier;** feasible alternatives exist for most of the technologies we use, although not necessarily without disruption or additional cost.

We have a **clear understanding of who our key channel and integration partners are** and we maintain close relationships with them. This may take the form of collaborative marketing, hosting joint product demonstrations or face-to-face meetings.

We encourage our people to play active roles in their communities and to **enrich the lives of others.** Here are some examples:

- Each member of the team can take **two paid charity days** each year to participate, as individuals or teams, in charitable or community activities;
- We have representation on the Bank of England's Decision Maker Panel, which collects information on how business conditions are changing in the face of substantial UK and international economic uncertainty; and
- We **encourage flexible working** in all our offices to allow our people to have active family lives and get involved with their communities.

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

Management of risk is a **core function of the Board**.

The Group has an **established risk management process** that examines opportunities and threats at the strategic and operational level. The Group has in place a risk register and the principal risks and uncertainties facing the Group have been disclosed in the AIM Admission Document and the 2017 Annual Report.

Risk management is a continuous process. In accordance with **ISO 31000:2018** and, notwithstanding the principal risks previously highlighted in our AIM Admission Document and 2017 Annual Report, we will continue to review and modify these as necessary. Any material changes will be disclosed in our regular reporting updates to market.



**Principle 5:
Maintain the board
as a well-
functioning,
balanced team led
by the chair.**

The Board comprises a non-executive independent Chairman, 2 executive directors (the CEO and CFO), 2 non-executive directors and 1 senior independent director.

Miles Jakeman and Nigel Payne are considered by the Board to be **independent directors**. The QCA Code notes that, generally, shareholder expectation is that at least half of directors will be independent. In line with the position taken by a significant proportion of AIM companies, the Board do not consider it practicable for a company of our size and complexity to change the structure of the board to be weighted with more independent directors at this current stage in the Company's lifecycle.

Both **executive directors** are employed on a full-time basis by the Company. The time commitment required by non-executive directors is not prescribed; however it is expected that each non-executive director will dedicate sufficient time to the Company to understand the business, prepare for and attend Board and committee meetings and carry out other work that is necessary for them to fulfil their duties as a director. In addition, it is expected that non-executive directors have sufficient capacity to increase their time commitment to the Company if necessary, for example in the event of a crisis or significant transaction.

Each director has confirmed that they have **sufficient time available and sufficient capacity** to carry out their role. This is reviewed annually by the Chairman for all other directors; the Chairman's availability and capacity is reviewed by the Senior Independent Director.

Typically the Board holds 6 to 8 **formal full meetings** each year, with additional calls and committee meetings as required.

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

The members of our Board have a **variety of skills and experience** that collectively provides an excellent balance.

Skillsets represented include, but aren't limited to, high growth companies, product management, user experience, enterprise software, digital marketing, UK public market and regulatory landscape, start-ups, scale-ups, financial management, investor relations and governance.

On appointment and subsequently, new Directors are offered **induction and training** considered appropriate by the Board.

The Directors receive **briefings at Board meetings** on regulatory and other issues relevant to the Group and its business sector and may attend external courses to assist in their professional development.

Biographies of directors appear on the Company's website and within the Annual Report.

The Board **reviews its performance annually** with an anonymised survey collated by the Company Secretary for which results are shared with the entire Board. The Chairman is responsible for agreeing an action plan to improve the Board's performance.

Attendance at Board meetings and sub-committees is monitored and will be disclosed in the Annual Report.

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

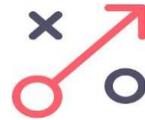
Principle 8: Promote a corporate culture that is based on ethical values and behaviours

GetBusy's values are bold and clear. They are the guiding principles to the way we run our business.



Every customer experience must include a smile ;)

The original and arguably the most important rule. If we can satisfy our customers, and genuinely improve their lives, success will follow. This applies to every single customer. Every time. At every point of interaction no matter how small. No exceptions.



Show grit and make sh*t happen

Your mental toughness and perseverance are better predictors of your success than any other factor. Also, the happiest and most successful people are the ones who persevere - grit is long-term. There will be achievements and failures along the way - embrace the journey. It's hard to beat a person who never gives up, so roll up your sleeves and DO things already!



Keep it simple

We'll keep this one short. If you can't explain it simply, you don't understand it well enough, no matter how smart you are. Always challenge yourself to radically simplify. Every experience must seem delightfully intuitive, familiar and clear, yet new and surprising.



Better together

Stay positive. Positive thinking will allow us to achieve the impossible. No egos. Best idea wins. We've got each other's back. There are introverts, extroverts, creative, emotional and logical thinkers. We need everyone working together to win. A culture of innovation, not fear.



BSU
(Blow Sh*t Up!)

We're out to change the world. We thus need to break from convention and be a disruptor to win. We're an agile company. That means not being afraid of change.

Remember: to improve is to change, to be perfect is to change often.



Data drives decisions

We're a data driven organisation. We must be led by our data, and be agile to it. We need to collect as much data as possible, understand it as simply as possible, then come to the best possible decision. You must determine your own personal success with data. If you don't report on it, it didn't happen.

So far as possible, **we ensure that these values are visible** through our recruitment processes, internal communications and management style, corporate reports and external announcements.

We expect that the Board and leadership team demonstrate these values in all of their work, setting the example for others. Our policies and procedures are designed with these values at their core.

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

The Chairman's role and responsibilities have been described previously on Page 2.

The **CEO's primary responsibilities** include:

- Developing GetBusy's strategy for consideration and approval by the wider Board;
- Leading the senior management team in delivering GetBusy's strategic and day-to-day operational objectives; and
- Leading and maintaining communications with all stakeholders.

The CEO is supported in this by the CFO, **executive team and leadership team**. The CFO also serves as the **company secretary**; this is considered appropriate for and is commonplace within companies of our size. The role of the company secretary is to advise the Chairman and Board on both legal and regulatory compliance matters, as well as providing a conduit for all the directors into the workings of the company.

The **audit committee** provides confidence to shareholders on the integrity of the financial results of the company expressed in the annual report and accounts and other relevant public announcements of the company. The audit committee challenges both the external auditors and the management of the company. It also considers the engagement of auditors including tendering and the approval of non-audit services. The audit committee reviews and reports to the board on any significant reporting issues, estimates and judgements made in connection with the preparation of the company's financial statements. The audit committee is chaired by Nigel Payne and its members include Clive Rabie and Miles Jakeman.

The **remuneration committee** makes recommendations to the Board on the Company's remuneration policies and practices, the remuneration of executive and non-executive directors and the level and structure of remuneration for senior management. The remuneration committee is chaired by Nigel Payne and its members include Miles Jakeman and Greg Wilkinson.

Our **overriding principles** are that the Board:

- Is **established to govern**: the Board addresses "ends" and delegates the "means" to achieve those ends to the management group;
- **Looks to the future**: the Board will devote the majority of its time to considering the future and providing strategic leadership;
- Is **ultimately responsible to shareholders** for the oversight and performance of the Group; and,
- Is there to **support and maintain a culture** of governance, performance, accountability and communication within GetBusy that embraces and establishes the principles set out here.

Continued>>>>

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

In addition to any matters that are expressly required by law to be approved by the Board, the following powers are specifically reserved for the Board:

Governance

- Monitoring compliance with legal, constitutional and Company Codes of Ethics, Codes of Conduct and other material policies;
- Oversight of fraud, risk, control and accountability systems through promoting systemic awareness of the control environment and risk issues;
- Approving Occupational Health and Safety statements;
- Approving Environmental statements;
- Approving Treasury policies (including debt and foreign exchange exposures);
- Determining that satisfactory arrangements are in place for auditing GetBusy's financial affairs and that the scope of audit is adequate;
- Appointing the chair and, if the company requires one, the deputy chair and/or senior independent director;
- Making appointments of members to, and removing members from, Board Committees;
- Approving Terms of Reference for Board Committees;
- Dealing with matters referred to it from Board Committees;
- Approving Directors and Officers Liability Insurance;
- Changing GetBusy's capital structure through the issue or buy-back of shares, options, equity instruments or other securities;
- Approving resolutions to be put to the AGM and documents or circulars to be sent to shareholders; and
- Approving changes to the Board structure, size or composition.

Performance

- Provision of guidance on, and approval of, GetBusy's corporate strategy and performance;
- Shaping and approving the strategic plan and associated annual budgets;
- Monitoring the implementation of financial and other objectives;
- Approving financial statements and any significant changes to accounting policies, including as part of half year and full year reports;
- Appointing and removing members of the GetBusy management team as required;
- Monitoring and evaluating the performance of the GetBusy management team as required;
- Approving and monitoring any acquisitions and divestures; and,
- Approving dividend policy and the declaration of dividends.

Culture

- Formulating policy regarding charitable and political donations;
- Ensuring the company treats all staff in an honest, fair and equitable manner and has appropriate mechanisms in place for reporting exceptions; and,
- Reviewing succession planning, HR recruitment/retention and management development arrangements.

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

At the **2018 AGM**, all proposed resolutions were passed.

However a significant proportion of independent votes were cast against resolutions 4, 5, 6 and 7. These resolutions concerned the re-election of Clive Rabie, Greg Wilkinson, Daniel Rabie and Paul Haworth as directors of the Company. These votes originated from one particular significant shareholder, who had notified the Board of their voting intentions prior to the meeting. These intentions were based on that shareholders' internal policy of voting against non-independent non-executive directors and executive directors in the event that a majority of Board members are not independent.

The application guidelines for Principle 5 sets out **expectations for Board composition**:

"The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement." Further guidance is provided as follows: *"Generally, shareholder expectation is that at least half of directors of a board will be independent NEDs. It may not be possible in growing companies to meet all of the objective independence criteria demanded of the largest listed companies. Regardless, it is important for any board to foster an attitude of independence of character and judgement."*

GetBusy's board comprises two independent non-executive directors, two non-executive directors and two executive directors. This **meets the requirement of Principle 5** because:

- Our **independent non-executive directors**, Miles Jakeman and Nigel Payne, have considerable experience at Board level in public companies. They are considered by the Board to be robustly independent, both in character and in the views and perspectives that they contribute to Board discussions. Their remuneration is appropriate for the duties they perform for the Company, but is not material to their respective financial positions. They do not participate in Company performance incentive schemes, whether cash- or share-based.
- These 2 independent non-executive directors perform the roles of **chairman and deputy chairman (continued>>>>)**

Principle 10:
Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders (continued)

- Our 2 non-independent non-executive directors, Clive Rabie and Greg Wilkinson, are considered non-independent due to their significant investment into GetBusy, which well **aligns the Board with longer-term shareholder value creation** expectations.
- In addition to their shareholdings, both Clive and Greg have **considerable experience, contacts and expertise** within the small business software market.
- Clive has a **detailed understanding of the market landscape** together with the operational priorities and strategic imperatives required to be successful.
- Greg has a **deep understanding of products**, user experience and product development within this market. Their experience and aligned interests make Clive and Greg extremely valuable members of our Board.
- All Board sub-committees are chaired by the **Senior Independent Director**, Nigel Payne, who has considerable experience of chairing and acting as a non-executive director of listed companies.
- All directors (whether independent, executive or non-executive), comply with requisite legal requirements. It must be emphasised that there is **no room for a ‘sleeping director’** on our Board.

As with any growing company, it is expected that over time the composition of the Board will alter as new skill sets, networks and ideas are required to support the changing nature of the company. There is also likely to be a **shift towards increasing the number of independent non-executive directors**, but not at the expense of segregating board affairs from management operations or for simply ‘ticking compliance boxes’. We will always seek people with **strong values, skills and knowledge** that are there to grow the business.

In conclusion, the GetBusy board considers that it has structured its governance arrangements to **deliver growth in long-term shareholder value**. It has also structured these arrangements to meet QCA principles in this regard.

Copies of previous general meeting notices and annual reports can be found at www.getbusy.com/about/investors

