

## Corporate Governance

### THE QUOTED COMPANY ALLIANCE (QCA) CODE

The Directors recognise the importance of good corporate governance and have chosen to apply the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). The QCA Code was developed by the QCA in consultation with a number of significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The way in which the Company addresses the key governance principles defined in the QCA Code is detailed below and further information on compliance with the QCA Code is provided in our 2020 annual report.

Jeremy Fenn, Executive Chairman

This disclosure was last reviewed and updated on 15 December 2021

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

The strategy and business operations of the Group are set out in the Strategic Report on pages 2 to 7 of the Group's 2020 Annual Report and Accounts.

The Group's strategy and business model and amendments thereto, are developed by the Chief Executive Officer and his senior management team and approved by the Board. The management team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level.

The Group operates in an inherently high risk sector and this is reflected in the principal risks and uncertainties set out on pages 5 and 14 of the Group's 2020 Annual Report and Accounts.

In executing the Group's strategy and operational plans, management will typically confront a range of day-to-day challenges associated with these key risks and uncertainties and will seek to deploy the identified mitigation steps to manage these risks as they manifest themselves.

#### **2. Seek to understand and meet shareholder needs and expectations**

The Group seeks to maintain a regular dialogue with both existing and potential new shareholders in order to communicate the Group's strategy and to progress and understand the needs and expectations of shareholders.

Beyond the Annual General Meeting, the Chief Executive Officer and, where appropriate, other members of the Board meet regularly with investors and analysts to provide them with updates on the Group's business and to obtain feedback regarding the market's expectations of the Group.

The Group's investor relations activities encompass dialogue with both institutional and private investors and which the Board considers have proved beneficial .

The Company's AGM provides an opportunity for all shareholders to address their needs and expectations to the Board so we encourage our shareholders to attend the AGM.

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

The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. These include the Group's: investors, employees, partners, suppliers and regulatory authorities. The Group's operations and working methodologies take account of the requirement to balance the needs of all these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its members as a whole. The Group endeavours to take account of feedback received from stakeholders, making amendments to working arrangements and operational plans where appropriate and where such amendments are consistent with the Group's longer term strategy.

The Group takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. Through the various procedures and systems it operates, the Group ensures full compliance with health and safety and environmental legislation relevant to its activities.

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

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. The Audit Committee evaluates the effectiveness of these internal controls on an annual basis or as required.

A summary of the principal risks and uncertainties facing the Group, as well as mitigating actions, are set out on pages 5 and 14 of the Group's 2020 Annual Report and Accounts.

A comprehensive budgeting process is completed by the Finance Director once a year and is reviewed and approved by the Board. The Group's results, compared with the budget, are reported to the Board on a monthly basis.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed by the Board on a periodic basis.

The senior management team meet at least twice monthly to consider new risks and opportunities presented to the Group, making recommendations to the Board and/or the Audit Committee as appropriate.

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

Mobile Tornado's Board currently comprises two Non-Executive Directors and two Executive Directors.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and will continue to seek re-election at least once every three years.

Directors' biographies are set out on page 8 of the Group's 2020 Annual Report and Accounts.

The Board is responsible to the shareholders for the proper management of the Group and meets at least six times a year to set the overall direction and strategy of the Group, to review operational and financial performance and to advise on management appointments. All key operational and

investment decisions are subject to Board approval. Board and committee meeting attendance will be detailed in all future annual reports.

The Board considers itself to be sufficiently independent. Whilst Jonathan Freeland is the only one of the two Non-Executive Directors who sit on the Board of the Company regarded as independent under the Code's guidance for determining such independence, the Board considers this to be appropriate for the Group's current size. The Board will regularly review the value to the Group and its stakeholders of making further appointments to the Board.

Non-Executive Directors receive their fees in the form of a basic cash fee. No equity-based fee arrangements are currently in place. The current remuneration structure for the Board's Non-Executive Directors is deemed to be proportionate to the time they are required to commit to their roles.

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

The Board considers that all of the Non-Executive Directors are of sufficient competence and calibre to add strength and objectivity to its activities and bring considerable experience in operational and financial development of mobile applications services.

Directors' biographies are set out on page 8 of the Group's 2020 Annual Report and Accounts.

The Board regularly reviews the composition of the Board to ensure that it has the necessary breadth and depth of skills to support the ongoing development of the Group.

The Chairman ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to the Group, its operational environment and to the Directors' responsibilities as members of the Board. The Board also receives regular guidance from its legal advisers and nominated adviser on key regulatory developments.

Directors' service contracts or appointment letters make provision for a Director to seek personal advice in furtherance of his or her duties and responsibilities. No external advisers have been appointed to assist the Board of any of its committees in the past 12 months.

#### **7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

Evaluation of the performance of the Board is implemented in an informal manner. On an ongoing basis, Board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to, backup for or succession planning for current Board members.

Given the size of the business, the primary evaluation metric utilised by the Board is the financial performance of the Company.

The Board does not consider that the Company requires a Nominations Committee, given the size and nature of the business. As the Company progresses, the Board will consider the implementation of a Nominations Committee and more formal internal and external Board appraisal procedures.

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

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group's operations. These values are enshrined in the written policies and working practices adopted by all employees in the Group. An open culture is encouraged within the Group, with

regular communications to staff regarding progress and staff feedback regularly sought. The management team regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary.

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

The Board has overall responsibility for promoting the success of the Group. The Executive Directors have day-to-day responsibility for the operational management of the Group's activities. The Non-Executive Directors are responsible for bringing independent and objective judgment to Board decisions.

There is a clear separation of the roles of Chief Executive Officer and Chairman. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-Executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group and chairs the Nomination Committee and the Corporate Governance Committee. The Chief Executive Officer has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group.

The Board has established an Audit Committee and Remuneration Committee with formally delegated duties and responsibilities.

The Audit Committee is chaired by Peter Wilkinson and its other member is Executive Chairman, Jeremy Fenn and normally meets twice a year and has responsibility for, amongst other things, planning and reviewing the annual report and accounts and interim statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

The Remuneration Committee is chaired by Peter Wilkinson and its other member is Executive Chairman, Jeremy Fenn and meets as required, but at least once a year, has responsibility for making recommendations to the Board on the compensation of senior executives and determining, within agreed terms of reference, the specific remuneration packages for each of the Executive Directors. It also supervises the Company's share incentive schemes and sets performance conditions for share options granted under the schemes.

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

The Group places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning the Group's activities are clear, fair and accurate. The Group's website is regularly updated with announcements or details of presentations and events as well as the Group's financial reports.

At the Company's last AGM, all votes were passed by a significant majority. The Company will provide details of any resolutions at the Company's AGMs which receive significant votes against and seek to understand from shareholders the reasons behind that vote result. All of the Company's AGM notices and annual reports and accounts for the past five years are available to view in the Report and Accounts section of the website.