



**Statement of Compliance  
with the QCA Corporate  
Governance Code**

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The Board has, with effect from 28<sup>th</sup> September 2018, adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (QCA Code) in line with the recent changes to the AIM Rules for Companies requiring all AIM-quoted companies to disclose the details of the recognised corporate governance code that the Board has decided to apply. For the financial year ended 30<sup>th</sup> June 2018, the Company applied the principles of the UK Corporate Governance Code and the QCA Code in combination, as deemed appropriate by Board. The financial year ending 30 June 2019 will be the first year in which the Company has formally applied the QCA Code, and the Board has set out below how it proposes to apply its principles.

References set out below are to the company's **2018 annual report** ([here](#)) or are links to its website. This statement:

- sets out the Chairman's role;
- provides a high level explanation of how the QCA code is applied;
- explains any areas in which the Company has departed from the QCA code guidelines; and
- identifies any key governance matters that have occurred during the 2018/19 financial year.

### Chairman's Role

The Chairman is not responsible for executive decisions. The Chairman's principal responsibility is the effective running of the board. This includes:

- ensuring that the board as a whole plays a full and constructive part in the development and determination of strategy and overall commercial objectives;
- running the board and setting its agenda;
- ensuring that board members receive accurate, timely and clear information on the Company's performance, its issues, challenges and opportunities and on other matters which are reserved to the board;
- ensuring that effective communication with shareholders;
- ensuring that the performance of the board is considered at least once a year; and
- promoting the highest standards of integrity, probity and corporate governance.

## Application of the QCA Code

Details of how the Company complies with each of the principles of the QCA Code are set out below, incorporating by reference information from the Company's website and/or in the Company's annual reports and accounts:

### The principles

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

The board of Redde (the Board) works together to agree a strategy and set budgets and look for opportunities that will deliver the strategy. Strategy is a constant topic of discussion at board meetings and it is continually kept under review.

Redde (through its subsidiaries) is strategically focused on four key areas, being accident management and insurance services, corporate fleet management, legal services and insurance policy fulfilment. Detailed information on the Group's strategy and business model, as well as key challenges faced by the Group, is set out [here](#), the **Group Strategic Report** and the Board section of the **Governance Report**.

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

The Group is committed to maintaining good relations with all its shareholders through the provision of regular Interim and Annual Reports, other trading statements and the Annual General Meeting, which shareholders are encouraged to attend. In addition to answering shareholders' questions at the AGM, the Company also maintains contact with its institutional shareholders, primarily through the Chairman, CEO and CFO, and the views of analysts, brokers and shareholders are relayed to the Board through the Chairman and the Senior Independent Director as appropriate.

The Chairman and Senior Independent Director are available to meet with shareholders, as required, and can be contacted by email at [enquiries@redde.com](mailto:enquiries@redde.com).

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

The Company recognises that engagement with the wider stakeholder base is good for the development of the Company and in the achievement of its strategic goals. The Company works with business partners to ensure the services supplied are of good quality, and to develop both new products and the better delivery of existing products. The Company maintains regular contact with its supply chain ensuring that it supports the Group's delivery of its services.

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through presentations and the Company intranet. The Group regularly communicates with employees on a wide range of matters affecting their current and future interests.

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

Each of the principal businesses maintains its own operational risk registers with principal risks being discussed at each Board meeting. The Group has a robust and wide ranging set of internal controls covering both financial and operational aspects of the business. Each business has its own compliance functions and there is a Group internal audit function that reports directly to the audit committee. The businesses consider both threats and opportunities. The controls are discussed more fully in the internal controls section of the **Governance Report**, and principal risks and uncertainties are set out in the **Group Strategic Report**.

There are formal policies and restrictions on the employment of former external auditor staff and on the use of the Company's auditor for non-audit services.

There is an internal audit and compliance function which agrees an annual programme of work with the audit committee, and quarterly internal audit reports are provided to the audit committee setting out the results of such work, as well as the progress against remedial actions agreed with management.

The Company has a formal whistleblower policy and provides a confidential whistleblower reporting service for employees.

**5. Maintaining the board as a well-functioning, balanced team led by the Chair.**

The role of the Chairman has been outlined above. It is her role to ensure the Board remains balanced, with the correct mix of skills and experience. There is an appropriate mix of independent non-executive directors and executive directors. The Chairman is independent and undertakes no executive functions.

Further details on the independent directors and the attendance records of all Board directors are set out in **the Company's Governance Report**.

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

The balance of skills and experiences of the Company's directors is continually under consideration, and is reviewed in further detail when directors are considered for re-election. Currently the board mix includes experience of: automotive/fleet/accident management specific experience, fleet logistics, vehicle finance, AIM and fully-listed regulation, FCA regulation, financing listed and un-listed companies and overseeing IT and other infrastructure projects.

A number of regulatory updates are provided by external advisers, and by the Company's auditors in particular.

All directors are able to take independent legal advice and there is a specific process in this respect. Additionally, all directors can call upon the Company Secretary and Head of Legal.

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

The Board evaluates the performance of the executive and non-executive directors and separately reviews the Chairman's performance. Given the size of the Board, it does not generally undertake evaluation by questionnaires but has done so in the past and would do so again (either delivered internally or externally) were it to be felt appropriate to do so. Executive directors are set relevant and challenging objectives.

The nomination committee regularly considers succession planning at both a Board and senior manager level. Whether for board or senior manager positions the Company will consider internal and external candidates and whilst it will use external agencies it does not have a formal policy of always advertising such roles externally.

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

The Company is committed to ethical behaviour and has a number of staff policies directed at ensuring that ethical behaviour is maintained at all times both internally and externally. The directors actively promote ethical behaviour and seek to ensure a culture of compliance and adoption of ethical values.

The Company maintains a full suite of staff policies including those relating to health and safety, anti-bribery, ethics, anti-corruption and anti-competition, conflict of interest and modern slavery and human trafficking. The Company has published a [modern anti-slavery statement](#) and a [corporate social responsibility section](#) on its website.

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

There is a formal division of the roles of Chairman and CEO. The Chairman's role is described at the beginning of this statement. The CEO reports to the Chairman and the Board and is responsible for executive management matters affecting the Company including proposing and developing Group strategy and overall commercial objectives in close consultation with the Board. The CEO is responsible (with the executive team) for effecting Board and its committees' decisions. Additionally the CEO has the executive team's input into setting the Board agenda taken into account, maintains a dialogue with the Chairman on important and strategic issues facing the Company, ensures the executive team provide accurate and timely reports to the Board, ensures compliance with procedures and alerts the Chairman to forthcoming significant matters of which she might not otherwise be aware. The Company has established audit, remuneration and nomination committees each of which is comprised entirely of, and chaired by, non-executive directors.

The Company's website sets out the [committees' terms of references](#) and [matters reserved for the Board](#).

The Company's website sets out the [directors' biographies](#).

Mark McCafferty is the senior independent director.

The Board meets at least 11 times each year, the audit committee at least four times each year, the remuneration committee at least three times each year and the nomination committee at least once each year. Attendance by directors at these meetings is set out towards the end of the **Governance Report**.

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

The work of the committees is described in the annual report and accounts in the **Governance Report** (which contains a section on the work of the audit committee) and there is a separate **Remuneration Report**.

The Company communicates with shareholder through its annual reports, regulatory announcements, other [news items](#) and general information about the Group's businesses published on its [website](#) (including [links to the websites](#) of its operational business) and at its Annual General Meetings. Further detail on the Company's communications with stakeholders are set out above in relation to principles 2 and 3.

A [library of annual and interim reports](#) is available on the Company's website.

The Company routinely publishes via RIS the results of voting at its AGM, including details of proxy votes lodged and will continue to do so in future.

**Avril Palmer-Baunack**

**September 2018**