

# Gattaca plc Corporate Governance Statement

## Chairman's Introduction

Gattaca's approach to corporate governance reflects our values and how we operate as a business.

We have developed a governance framework which is meaningful, relevant and focused on our business. It is designed to maintain our position as a strong, reputable business in the marketplace, as well as a destination employer.

Gattaca has always sought to comply with the Quoted Companies Alliance (QCA) Corporate Governance Code and certain provisions of the UK Corporate Governance Code, where appropriate for our business, on a voluntary basis. In line with the London Stock Exchange's recent changes to the AIM Rules, the Board formally adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (the QCA Code) with effect from 10 July 2018. The Board considers that the QCA Code provides a practical corporate governance framework that will assist us in continuing to develop our governance standards in a manner that is flexible and appropriate for our business. This statement sets out the principles of the QCA Code, and how we comply with these. Gattaca has chosen to follow the recommended location of the required disclosures as set out in the QCA Code. An index setting out where each required disclosure can be found on our website or in our Annual Report is included at the end of this statement.

## The Principles

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

We help companies realise their full people potential, providing outsourced staffing solutions and recruitment services to those operating in the engineering and technology markets.

Established in 1984, Gattaca (formerly known as Matchtech Group) has grown into an international business with more than 750 staff around the world.

The Gattaca group of companies consists of a number of specialist recruitment brands including the UK's number one engineering recruitment specialist (Matchtech) and a leading technology recruitment specialist (Networkers). You can find out more about our [group structure here](#).

Our vision is to become the leading provider of outsourced solutions and specialist recruitment in our chosen markets. We share the same [purpose](#), [strategy](#) and [values](#) across all of our brands and these influence everything we do. You can read more about our strategy on our website, and find a detailed strategic report (which includes details of our key challenges, principal risks and uncertainties and how we work to address these) on pages 1 to 28 of our latest [Annual Report](#).

Our strategy is underpinned by our values and how we seek to operate as a business. Our recently updated Code of Professional Conduct sets out our business principles and guidance for our employees on acceptable standards of behaviour.

The Board reviews our strategy on an ongoing basis to ensure alignment to continual shareholder value in the medium to long-term. This ongoing review culminates in a formal annual strategic review, which includes all of the Senior Management Team.

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

The Board regards effective communication with shareholders as crucial and operates an on-going investor relations programme, which includes presentations and the opportunity for shareholders to meet with members of the Executive Management Team (Chief Executive Officer, Chief Financial Officer and Chief Operating Officer) following announcement of our interim and preliminary results. The full Board receive reports on feedback from investors.

The [Investor](#) section of our website include details of all our shareholder communications, in addition to an [FAQ](#) page and copies of our [Annual Report](#), results presentations and other shareholder communications and information. We have recently introduced [webinars](#) of our interim and preliminary results presentations, and a [Regulatory News Alert](#) service.

Our Annual General Meeting (AGM) provides a further opportunity for shareholders to communicate directly with the whole Board, either formally during the meeting, or informally afterwards.

The Chairman met with a number of our key shareholders in April and is always available to discuss any concerns with shareholders. It is our intention that the Chairman will meet with key stakeholders throughout the course of the year.

Contact details of those responsible for investor relations appears on our [Advisors and Registrars](#) webpage. This also includes contact details of our Company Secretary, who is available for contact by shareholders on matters of governance.

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

Aside from our shareholders, our clients, candidates, suppliers and employees are our most important stakeholders, which reflects our [purpose](#) to engage our staff, promote our candidates and delight our clients.

### Employees

We believe that our employees are key to our success and a highly motivated workforce is good for all stakeholders. We communicate with our employees on a constant basis, via formal means at our end of quarter presentations and annual appraisals, and on an informal basis via regular team and department meetings, and leadership briefings. In addition, our Senior Management Team are visible throughout the business, hot-desking in all UK offices and visiting overseas

offices, providing further opportunities for informal feedback. We conduct an employee engagement survey, which is designed to capture engagement on an on-going basis via weekly questions. The Board review this feedback regularly and have implemented new initiatives and changes as a result including, for example, the launch of new career paths.

During our 2018 financial year, we also launched our Employer Value Proposition, Evolve, which provided employees a further opportunity to suggest and develop initiatives in three core areas: Develop, Wellbeing and Recognition. The Board supported a number of these new initiatives, including activities during Mental Health Awareness Week and a dedicated incentive programme for our Group Support employees.

### Clients

Clients provide feedback informally via their day-to-day communications with us as part of our service delivery. For our managed service clients, we conduct quarterly business reviews to consider our performance and service, identify and discuss trends and feedback, and to address the medium and long-term needs of the client. We have a structured escalation process for queries, and our complaints procedure will be utilised for any significant issues. We also conduct a bi-annual client survey, the results of which are provided to the Board for consideration and direction, as appropriate.

Feedback from clients is discussed weekly by the Senior Management Team and reported to the Board, as appropriate, via an Operational Report that is prepared and circulated in advance of all Board meetings.

### Candidates/Contractors

As with clients, our candidates and contractors provide feedback informally via their day-to-day communications with us as part of our service delivery. We conduct a bi-annual Voice of the Workforce survey to assess industry trends and candidate needs. The results of all feedback is monitored for trends and we have implemented initiatives arising from this feedback, including the increased use of microsites to highlight specific clients and projects in response to feedback requesting more dedicated information on opportunities.

### Suppliers

We expect our suppliers to support the principles of the UN Global Compact, which is committed to 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. We have recently reviewed our [Anti-Bribery and Corruption Statement](#). We expect all suppliers to comply with our [Modern Slavery Statement](#).

The Company, primarily through the Chief Financial Officer and General Counsel, review periodically our key suppliers, including our banks, insurance companies and payroll suppliers.

### Social Responsibilities

We are proud of our commitment to providing support to the community through a number of charitable activities. During our 2018 financial year, the Group made charitable donations of £40,399 and participated in a number of non-financial charitable events, including events

supporting the clear up of the Mexico City earthquake, and beach cleans. We continually address our environmental impact and adhere to the Environmental Management System ISO 14001:2015. We are a corporate member of, and active participant in activities organised by, the Recruitment and Employment Confederation (REC) in which we receive and provide feedback on the recruitment industry and our areas of specialism.

### **Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

The Chairman conducts annual performance appraisals of the Executive Directors, supported by monthly 1:1 meetings. The Chairman also undertakes Board effectiveness discussions with all Non-Executive Directors on a regular basis: considering the effectiveness and relevance of their contributions, any learning and development needs, and the level of scrutiny and challenge of the Senior Management Team. The Board is satisfied with the performance of each individual Director and the Board as a whole, but recognises that independent evaluation of the effectiveness of its performance is important. The Board undertakes a formal internal evaluation process on an annual basis, with an external evaluation every three years. The Board intends to undertake a formal evaluation process, facilitated by an external provider, during the 2019 financial year.

As a people orientated business, succession planning is embedded into our culture in our career plans and performance evaluation process, and we have adopted a succession planning model that not only looks at the individual's competencies but also the future strategic fit in order to make sure we have the right leadership bench for now and the future. The Executive Directors, along with all of our Senior Management Team, participate in 360-degree reviews.

The Board, via the Nominations Committee, regularly reviews the experience, skills and capabilities of the Directors to ensure an appropriate balance. The Nominations Committee, assisted by an external executive search agency, primarily manages appointments to the Board but all Board members have the opportunity to meet shortlisted candidates, thus ensuring a wide range of feedback in the appointment process.

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

Our corporate values and behaviours are set out in our Code of Professional Conduct, which is provided to new employees on joining the Group, and which all employees are required to review on an annual basis. This Code of Professional Conduct is underpinned by clear Group policies and statements setting out the Group's zero-tolerance position on topics including Anti-Bribery and Corruption, Anti-Facilitation of Tax Evasion, and Modern Slavery. All of these core policies are referred to in our contracts of employment. Regular training, both classroom-based and online, reinforces these policies, and the associated required behaviours from employees. Employees are encouraged to raise any matters of concern via our internal whistleblowing procedure, or by telephone or online via our independent Speak Up reporting service.

Our Senior Management Team are visible throughout the business, hot-desking in all UK offices and visiting overseas offices , thus providing the opportunity to experience and address any behaviours that may be at odds with the Group's values and culture.

We assess employees against our values and culture at performance reviews as part of our competency framework, and the discretionary nature of our commission scheme endorses our commitment to upholding our Code of Professional Conduct.

The Board receives regular updates on matters of corporate culture via the Executive Report, compliance updates to the Audit Committee (including details of matters raised via the Speak Up reporting service, as appropriate) and regular presentations from the Group HR Director and General Counsel. We rotate Board meetings throughout our main UK offices, providing the opportunity for Non-Executive Directors to experience the working culture and to gain greater understanding of all areas of the Group's business.

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

Led by our Non-Executive Chairman, the Board is responsible for the Group's overall strategic direction and management, and for the establishment and maintenance of a framework of delegated authorities and controls to ensure the efficient and effective management of the Group's operations. The Group Executive concentrates on operational performance, operational decision making and the formulation of strategic proposals to the Board. The Board determines how the Chief Executive Officer operates within a framework of delegated authorities and reserved powers which seek to ensure that certain transactions, significant in terms of their size and type, are undertaken only after Board review.

Further detail as to the role of the Chairman, Chief Executive Officer and Non-Executive Directors, together with details of the matters reserved for the Board, is available on the [Role of the Board](#) page of our website. Copies of the Terms of Reference for our Audit, Nominations and Remuneration Committees are available on the Group's [website](#) or on request from the Company Secretary.

We recognise there is always room for improvement, and are committed to continual enhancement of our overall governance framework in line with best practice.

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

Detailed reports of the work of our Board Committees appear on pages 42 to 53 of our latest [Annual Report](#).

We release the results of general meetings through a regulatory news service and post a copy of the announcement on the [Regulatory News](#) section of our website. The [Investors](#) section of our website includes our historical [Annual Reports](#), as well as all other governance-related material, including notices of our [Annual General Meetings](#) for the last five years.

The Group considers that it has complied with the disclosure requirements set out in the QCA Code.

## Index of Disclosures

As stated above, Gattaca has chosen to follow the recommended location of the required disclosures as set out in the QCA Code. This table sets out where each required disclosures appears in our latest Annual Report or this Statement.

Governance Principle	Location of Disclosure
Principle 1: Establish a strategy and business model which promote long-term value for shareholders	See website disclosure above and our Annual Report and Accounts 2018, pages 1 to 28
Principle 2: Seek to understand and meet shareholder needs and expectations	See website disclosure above
Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success	See website disclosure above
Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation	See our Annual Report and Accounts 2018, pages 21 to 23, and page 38
Principle 5: Maintain the board as a well-functioning, balanced team led by the Chair	See our Annual Report and Accounts 2018, pages 38 to 39 and pages 36 to 38. Details of attendance at Committee meetings appears on pages 42, 47 and 52.
Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	<p>See our Annual Report and Accounts 2018, pages 30 to 31, and pages 39 to 40.</p> <p>Details of external advisors appears on pages 44, 47 and 53. During our 2018 financial year, the Board received specific advice on the structuring of its finance arrangements, and the Remuneration Committee received advice on specific projects.</p> <p>See also our <a href="#">Board of Directors</a> page on our website</p>
Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	See website disclosure above and our Annual Report and Accounts 2018, pages 40, 46 and 47

Principle 8: Promote a corporate culture that is based on ethical values and behaviours	See website disclosure above and our Annual Report and Accounts 2018, pages 29 and 40
Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	See website disclosure above
Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	See website disclosure above and our Annual Report and Accounts 2018, pages 42 to 53 inclusive.