

## Corporate Governance - AIM Rule 26

### Quoted Companies Alliance Code - Compliance

#### Chairman's statement

As a company listed on AIM, Bango is required to adopt a recognized corporate governance code. The Bango Board has decided to adopt the Quoted Companies Alliance Code ("QCA Code"). The Board believes the pragmatic, principles-based approach to corporate governance set out in the QCA Code is a good fit to the nature, stage and size of Bango's business and the sector in which it operates. The QCA Code's principles support Bango's core aims; to deliver innovative, reliable products in a dynamic, collaborative environment, achieving sustainable growth for all stakeholders.

Bango operates in a fast-paced sector that is constantly evolving. This document explains some of the ways in which Bango complies with the QCA Code in this context.

This document should be read in conjunction with the Bango Annual Report and Accounts. Those QCA Code principles not covered in detail in this document, which include detail on the Bango business model and strategy, strategy for growth, risk management strategy and framework, board composition and director experience/background, are included in the Annual Report and Accounts. A copy the latest version of the Annual Report and Accounts (2017 Annual Report) may be accessed [here](#).

Corporate governance is subject to ongoing review by the Board, and this document will be updated when either necessary or appropriate, and further detail will be incorporated in Bango annual reports.

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

The 2017 Annual Report incorporates an explanation of Bango's strategy and business model. A copy may be accessed [here](#).

#### Seek to understand and meet shareholder needs and expectations - QCA Code Principle 2

Bango understands the importance of open, clear and regular communications with its shareholders. A solid understanding of the business model, strategy and aims of the business is fundamental to achieving shareholder confidence and value. Transparency and personability are embedded in Bango's core corporate values and applied across all areas of its business, including in its relationships with shareholders.

Bango welcomes the views of its shareholders and employs various means of communication to interact with them.

The main interactive forum for communication with shareholders is Bango's AGM, which all shareholders are invited to attend. The Board is introduced to the meeting and available to address shareholder queries, either in open forum or individually afterwards. The Board makes presentations to institutional investors at least twice annually, immediately following the release of the half-year and full-year results, and also meets with individual institutional investors during the year in order to gain their views. Bango's broker supports the Board and the Bango investor relations team when appropriate, in their communications with institutional investors, and prospective investors. The Chair has overall responsibility for overseeing investor relations.

Specific queries may be raised at any time by any shareholder by emailing Bango's investor relations team at [investors@bango.com](mailto:investors@bango.com). The team ensures that the person best placed to address each query responds as soon as possible. The CEO is responsible for overseeing day-to-day communications with shareholders.

The [news](#) and [investor relations](#) sections of the Bango website are regularly updated and provide the market with the latest business news and shareholder updates.

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

The Executive Directors are responsible for identifying the key resources and relationships on which Bango relies, overseen by the Non-Executive Directors.

### Employees

Bango has a strong corporate culture and recognizes that employees are central to its success. Bango is a challenging and stimulating place to work, requiring enthusiasm and commitment. All employees are valued equally; the leadership team strive to make everyone feel an important part of Bango and empowered to make a difference. Bango strongly encourages team-based working, offers a generous benefits package and takes employee personal development and welfare seriously. In order to gain feedback from its employees, Bango undertakes an employee engagement survey annually, the results of which are analysed, acted on as appropriate and kept under review.

The Executive Directors recognise the important role employees play in understanding the needs, interests and expectations of other wider stakeholders. They work closely with all employees to grow and nurture these relationships.

### Customers and partners

Customers and partners are central to Bango and its strategy. Bango works closely with its customers and partners at all stages of the relationship, through its products such as Bango Boost and Bango Dashboard, as well as through the building of strong personal relationships across all areas of the business. Feedback is regularly and proactively obtained and discussed with all key relationship stakeholders, and incorporated into product strategy and development.

### Suppliers

Bango's key suppliers provide the products and services that underpin and support the Bango Platform. Their "fit" with Bango, and the quality of the products and services they provide to Bango, is fundamental to the security, performance and reliability of the platform itself. Bango works closely with these businesses, and proactively monitors quality, security, performance and reliability.

## Embed effective risk management, considering both opportunities and threats, throughout the organisation - QCA Code Principle 4

Bango monitors financial and operational risks to which it is exposed through its business activities. The Bango Board and key management personnel regularly review these risks and assess the processes and controls that have been put in place to mitigate them. Bango's principal risks and uncertainties can be viewed at page 11 of the 2017 Annual Report which can be accessed [here](#).

## Maintain the board as a well-functioning, balanced team led by the Chair - QCA Code Principle 5

Further information relating to the composition and functioning of the Board may be found at pages 13, 14 and 18 of the 2017 Annual Report which can be accessed [here](#).

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

Further information relating to the experience, skills and capabilities of the Board may be found at pages 13, 14 and 18 of the 2017 Annual Report which can be accessed [here](#).

## Evaluate board performance based on clear and relevant objectives, seeking continuous improvement - QCA Code Principle 7

Board performance is essential to the success of Bango. The Board strives to be strong and effective, individually and collectively, and the correct mix of skills and experience is of crucial importance in achieving this.

An annual appraisal system is in place for all employees, including the Executive Directors. The CEO is responsible for overseeing the performance of the CFO and CMO, and the CEO's effectiveness is monitored by the Chair. The contribution and performance of all Executive Directors is monitored and ultimately overseen by the Non-Executive Directors. Management reports, incorporating updates on key financial and operational issues, are produced monthly by the Bango management team, shared with the Board, and scrutinized at the Board's monthly board meetings.

Executive remuneration incorporates performance-related elements to align their interests with those of Bango's shareholders. These performance-related elements are set as a significant proportion of total remuneration, to incentivise, and to reward success. The awarding of a bonus is based upon a series of success factors including financial and non-financial criteria, linked to the long-term development of Bango. Success factors include shared goals (eg financial), and individual, targeted goals, appropriate for each Director and their role. Claw back provisions are also available for use if it is discovered that any of the terms under which a bonus was previously granted change.

Non-Executive Director performance, excluding the Chair, is overseen by the Chair in consultation with the Executive Directors. The Chair's performance is reviewed by a senior independent director in consultation with all the directors. The Non-Executive Directors' value and input to Bango is monitored to ensure they are actively contributing to Bango achieving its strategic and financial objectives.

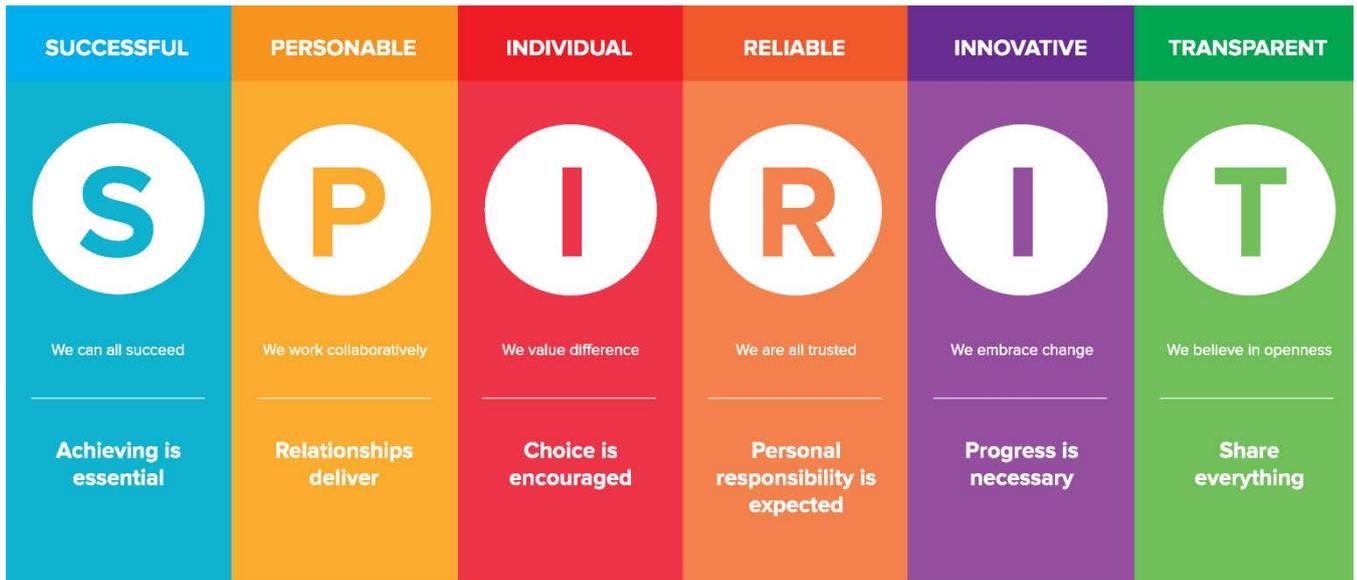
The Board recognises the importance of succession planning for both Executive and Non-Executive Directors. The fresh perspectives new Board members are able to contribute are of significant value. Achieving a Board with a good balance of experience and skills, with all Directors contributing towards Bango fulfilling its strategic objectives and achieving growth, is essential, and central to the recruitment process for any new Director.

The Board considers issues relating to succession planning in its regular board meetings. When the Board identifies the need for additional, or replacement, Board members, the issue is delegated to a sub-committee set up for that purpose. The composition of the sub-committee will depend on whether an Executive or Non-Executive Director is being sought. All directors are, to the extent it is appropriate for them to do so, involved in deciding the selection criteria for new directors, the interviewing process, and the final selection of new directors.

## Promote a corporate culture that is based on ethical values and behaviors - QCA Code Principle 8

Bango's corporate culture and values strongly support and encourage ethical values and behaviors.

Employee personal development and welfare are paramount and reinforced through Bango's core SPIRIT values and employee benefits; Bango "bendy" time is just one tool Bango uses to give employees flexibility to enable them to balance home life and work better. The Bango SPIRIT values set out the core values that Bango aspires to represent, and that Bango expects its employees to exhibit. These are:



Bango is committed to encouraging diversity amongst its workforce, and actively enforces its equal opportunities, anti bullying and harassment policies.

Bango has robust whistleblowing, anti-corruption and bribery policies in place. Bango conducts its operations globally and is active in new and emerging markets, so compliance with these policies is particularly important. All employees are required to know and comply with these policies. Compliance is actively monitored by senior management and implementation is overseen by the Board.

Instead of supporting specific charities, Bango supports those charities its employees wish to support. The money raised by employees for charitable causes is matched by Bango. Bango also supports its employees' charitable activities through the provision of equipment for their charitable endeavors.

Bango has implemented various measures to reduce its impact on the environment. In line with its environmental aims, Bango's main data center obtains 90% of its energy from renewable sources and pioneers energy-saving designs to reduce its carbon footprint.

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

The Board of Bango PLC is evenly split between Executive and Non-Executive Directors in line with best practice. It is made up of the independent Non-Executive Chair, CEO, CFO, CMO, and two other independent Non-Executive Directors. The Board believe that a board of this size and nature is appropriate for the size and complexity of Bango's business. The size and composition of the Board is kept under review alongside succession planning to ensure it is kept in line with the company's business needs and growth. Of particular importance is the balance of skills and experience of the Non-Executive Directors, which compliment and support those of the Executive Directors to achieve a strong and balanced Board.

### Key Board Roles

- **Chair** - the Chair is charged with leading and overseeing the effectiveness of the Board, and the implementation of Bango's corporate governance structures and practices. They ensure the Board is focused on strategic and financial issues. They are not involved in the day-to-day functioning or management of the business, but ensure the Board is kept informed of key operational and management matters so that advice and support may be provided to the Executives where appropriate. They supervise the CEO and are responsible for overseeing their effectiveness and performance.
- **CEO** - the CEO is responsible for the delivery of Bango's strategy and business plan, which are agreed with and set by the Board. They oversee operational implementation, and the effective management of

Bango as a whole. They ensure that the Board as a whole is kept informed of operational and management matters.

#### Matters reserved for the Board

- Appointment of advisors
- Approval of overall budget and accounts
- Corporate strategy
- Corporate finance activities, borrowing, and activities with strategic significance
- Issue of shares and share options
- Setting directors' remuneration, pensions and other benefits
- Significant hires
- Constitutional issues

#### Board Subcommittees

Bango has separate Remuneration and Audit Committees to ensure good corporate governance.

- Audit Committee - The Audit Committee is responsible for:
  - Monitoring the integrity of the financial statements of Bango
  - Reviewing Bango's internal financial controls and risk management systems
  - Reporting to the Board, identifying any matters in respect of which it considers that action or improvement is required
  - Ensuring a formal channel is available for employees and other stakeholders to express any complaints in respect of financial accounting and reporting
- Remuneration Committee - The Remuneration Committee is responsible for:
  - Reviewing, and determining on behalf of the Board, the specific remuneration and incentive packages for each of Bango's Executive Directors
  - Reviewing, and making recommendations to the Board in respect of the design of remuneration structures and levels of pay and other incentives for employees of Bango, including share option awards and any adjustments to the terms of share ownership and share option schemes
  - Reporting to Bango's shareholders in relation to remuneration policies applicable to Bango's Executive Directors
  - Monitoring and approving grants of all share option schemes to employees

Bango does not currently have a nominations committee; the Board does not believe a nominations committee to be appropriate given the size of the company and its Board. Instead, this role is filled by the Non-Executive Directors, supported by the CEO. The Board as a whole is kept updated and involved in nominations as appropriate.

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

The "Shareholder engagement" and "Wider stakeholder and social responsibilities" sections set out above explain how the Board maintains a healthy dialogue with its shareholders and wider stakeholders, and ensures their views are taken into account, enabling the Board to make informed decisions about the company.

All historical annual reports and other governance-related material, including notices and results of general meetings, over at least the last five financial years, may be found on the Investor Relations section of the Bango website under the "[Key Financial Documents](#)" section.



Where a high number of votes are cast against a resolution put to the shareholders of the company, or the shareholders vote against a resolution, the Board actively investigates the concerns raised by the shareholders and, where appropriate, will publish here those actions it intends to take, or has taken, as a result.

Review date: [September 2018](#)