

**Corporate Governance Report**

In April 2018, the Quoted Companies Alliance (QCA) published an updated version of its Code which provides UK small and mid-sized companies with a corporate governance framework that is appropriate for a Group and Company of our size and nature.

The Board considers the principles and recommendations contained in the QCA Code are appropriate and has therefore chosen to apply the QCA Code. The updated 2018 QCA Code has 10 principles that should be applied. Each principle is listed in the statement below together with an explanation of how the Group and Company applies or otherwise departs from each of the principles.

**Principle One**

*Business Model and Strategy*

The board has concluded that the medium-long term value that can be delivered to its shareholders is for ADVFN to obtain technological advantage while building cutting edge tools for real-time data and for growing our community. We remain in the position that a key indicator for our company’s health is our subscriptions, and we maintain our sales-subscription model as it is.

**Principle Two**

*Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Group has close ongoing relationships with its brokers, NOMAD and shareholders. Shareholders also have the opportunity to attend our AGM and can access current information about the Group via our Investor Relations (IR) website or at [www.advfn.com](http://www.advfn.com).

**Principle Three**

*Considering wider stakeholder and social responsibilities*

The Board recognises that the long-term success of the Group is reliant upon the efforts of the employees of the Group and its contractors, suppliers, regulators and other stakeholders. In addition, the Board is conscious of its responsibility to ensure the website users’ experience is a positive one by being aware of its social, economic and environmental impact, and considering human rights. The finance team review this on a regular basis to ensure that there is close oversight and contact with its key resources and relationships.

**Principle Four**

*Risk Management*

In addition to its other roles and responsibilities, the Audit Committee and Finance team are responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Group. The risk assessment matrix below sets out those risks and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The following principal risks and controls to mitigate them, have been identified:

<b>Activity</b>	<b>Risk</b>	<b>Impact</b>	<b>Control(s)</b>
<b>Management</b>	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans
<b>Regulatory adherence</b>	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Group
<b>Strategic</b>	Damage to reputation	Inability to secure new capital or clients	Effective communications with shareholders coupled with consistent messaging to our customers
	Inadequate disaster recovery procedures	Loss of key operational and financial data	Robust compliance Secure offsite storage of data

**Corporate Governance Report (continued)**

Activity	Risk	Impact	Control(s)
<b>Financial</b>	Liquidity, market and credit risk	Inability to continue as a going concern Reduction in asset values	Reviewed by the Board and the Finance Team on a regular basis
	Inappropriate controls and accounting policies	Incorrect reporting of assets	Appropriate authority and investment levels Audit Committee and Finance Team
	Fixed overheads	Decline in revenue affects going concern	Chief Financial Officer and Board monitor
	Fluctuations in exchange rates	Exposure to negative impact will reduce value of assets and revenues	Monitoring by Board and use of forward contracts where required
<b>Economic</b>	General downturn	Business activity reduced	Market engagement by staff and Board monitor
<b>Technical</b>	Product obsolescence	Visits to site and revenue fall	Maintain R & D spend and technical expertise

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Group and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Group financial controller and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

**Principle Five**

*A Well-Functioning Board of Directors*

As at the date hereof the Board comprised, the Non-Executive Chairman Lord Gold, CEO Amit Tauman, Sales Director Matthew Collom, CFO/CTO Jonathan Mullins and Non-Executive Director, Anthony Wollenberg. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years.

The Board meets regularly throughout the year (ordinarily 6 times). It has established an Audit Committee and Finance team and a Remuneration Committee, particulars of which appear below. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. Anthony Wollenberg and Lord Gold are considered to be Independent Directors. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. While the Board considers to date that the Board composition (including the non-executive role of the Chairman and the single non-executive director) has been appropriate for the Group given the size of the business, the board will review further appointments as scale and complexity grows.

**Principle Six**

*Appropriate Skills and Experience of the Directors*

The Board currently consists of Five Directors. The Group believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets.

The Board recognises that it currently has a limited diversity and this will be taken fully into account if the Board concludes that replacement or additional directors are required. The Board will review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

**Amit Tauman**

Chief Executive Officer

Amit Tauman joined ADVFN earlier this year as an executive director. Amit took responsibilities across several business operations, including creating and implementing the company’s culture, vision, mission, and overall direction while leading the development and implementation of the company’s overall strategy. Amit came from an extensive background in mathematics and computer science with years of experience in AI and machine learning. Amit Tauman assumed the title of CEO on 25 November 2022.

**Corporate Governance Report (continued)**

**Jonathan Mullins**

*Chief Financial Officer / Chief Technical Officer*

Jonathan Mullins has been involved in the development of a wide variety of on-line and internet services for over 20 years. He is responsible for the entire technical department of ADVFN and has overseen the growth of the website since its early days, including the development of the proprietary streaming service. He continues as chief software architect for the group as well as serving as chief financial officer.

**Matthew Collom**

*Sales Director*

Matthew Collom joined ADVFN in 2001 and has 20 years' experience within the on-line advertising industry. He became the Sales Director of the company in May 2014.

**Lord Gold**

*Non-Executive Chairman*

Lord Gold was appointed Director of ADVFN on 29<sup>th</sup> April 2022. His background is as a litigation solicitor at Herbert Smith, becoming Senior Partner in April 2005. In March 2011 he set up a consultancy advising on strategy and tactics. In October 2018, Lord Gold joined forces with Simon Collins, former Senior Partner of KPMG, to create a new business called Gold Collins Associates, which advises organisations and individuals facing crisis situations. He became a Conservative Peer in February 2011 and currently is a member of the International Agreements Select Committee. He chairs the London campus of international business school, ESCP.

**Anthony Wollenberg**

*Non-Executive Director*

Mr. Wollenberg joined the board earlier this year together with Lord Gold and Amit Tauman. Mr. Wollenberg is a solicitor specialising in financial services and big ticket commercial disputes, often with alleged fraud at their heart. He founded and managed his own law firm for 22 years before its merger with a US law firm. Mr. Wollenberg has also founded and invested in a number of commercial ventures. He currently serves as a director of eToro (U.K.) Limited which is part of one of the world's largest investment platforms which he helped found in 2007.

Directors attendance at Board Meetings

	Jul 2021	Aug 2021	Oct 2021	Jan 2022	Feb 2022	Mar 2022	20 Apr 2022	21 Apr 2022	May 2022
Michael Hodges	√	√	√	√	√	√	√	√	√
Clement Chambers	√	√	√	√					
Jon Mullins	√	√	√	√	√	√	√	√	√
Matthew Collom	√	√	√	√	√	√	√	√	√
Thomas Spiller (Non-exec)	√	√	√	√	√		√	√	√
Amit Tauman									√
Lord David Gold (Non-exec)									√
Anthony Wollenberg (Non-exec)									√

**Principle Seven**

*Evaluation of Board Performance*

Internal evaluation of the Board, the Committees and individual Directors is to be undertaken in the form of appraisal and discussions to determine the effectiveness and performance as well as the Directors' continued independence. There is no formal programme of appraisal in place as the Board is small and in constant contact. Informal meetings include discussions around members' effectiveness and performance.

**Principle Eight**

*Corporate Culture*

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact upon the performance of the Group. The Board is very aware that the tone and culture set by the Board will greatly impact on all aspects of the Group as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Group delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Group.

### **Corporate Governance Report (continued)**

A large part of the Group's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group successfully to achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Group does. The Directors consider that at present the Group has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a Group whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

#### **Principle Nine**

##### *Maintenance of Governance Structures and Processes*

Ultimate authority for all aspects of the Group's activities rests with the Board, the respective responsibilities of the Non-executive Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Non-executive Chairman is responsible for the effectiveness of the Board, while management of the Group's business and primary contact with shareholders has been delegated by the Board to the CEO.

##### *Audit Committee*

During the financial year ended 30th June 2022 the Audit Committee comprised Jonathan Mullins and Michael Hodges and was chaired by Jonathan Mullins. This team has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors. The audit committee now consists of Amit Tauman, Lord Gold and Anthony Wollenberg.

##### *Remuneration Committee*

The Remuneration Committee comprises Amit Tauman, Lord Gold and Anthony Wollenberg. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Group's Remuneration Policy.

##### *Nominations Committee*

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

##### *Non-Executive Directors*

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Non-executive Chairman and non-executive directors insofar as both the Non-executive Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion, believing it to be in the best interests of the Group, be appointed for subsequent terms.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Group; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

#### **Principle Ten**

##### *Shareholder Communication*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Group has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Group.

Investors also have access to current information on the Group through its website, [www.advfn.com](http://www.advfn.com), and via Amit Tauman, CEO, who is available to answer investor relations enquiries.

The Group shall include, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.