

Sportech PLC (the “Company”) Chairman’s Corporate Governance Statement 2021

Introduction

This Statement is issued in compliance with Rule 26 of the AIM Rules.

The Board of Directors of Sportech PLC (the “Board”) follows the UK Corporate Governance Code (the ‘Code’). This statement sets out the key details of the Board’s application of the Code.

Sportech PLC is incorporated in England and Wales and its shares are listed on the Alternative Investment Market of the London Stock Exchange (AIM) following its [General Meeting] in June 2021.

I am the Non-Executive Chairman of Sportech PLC and I am responsible for running of the Board and the overall governance of the Group. In this role, I am supported by the Independent Non-Executive Director[s] and the Company Secretary.

Sportech is committed to sound corporate governance as I and my colleagues on the Board believe it to be essential for business integrity and for shareholders’ trust in their Board. The responsibility for good governance lies with the Board, and we take a strong interest in ensuring the principles of sound corporate governance are disseminated throughout the organisation.

A corporate governance report describing the detail of our governance is provided beginning on page 30 of our 2020 Annual Report, which is available on our corporate website.

In addition, the report appended to this Statement provides summary information on how the Code has been applied by the Board.

The Board and I believe that we comply with the Code and there are no significant areas where the Company’s governance structures and practices differ from the expectations set by the Code except for the requirement of the Code to have at least half the board, excluding the chairman, comprised of non-executive directors determined by the board to be independent and for the Chairman not to be a member of the Remuneration Committee nor chair the Audit Committee. This is considered appropriate at the current time as explained in the appended report.

Giles Vardey
Non-Executive Chairman
Sportech PLC
July 2021

Application of the UK Corporate Governance Code

Sportech has chosen to apply the UK Corporate Governance Code (the “Code”) and to provide corporate governance disclosures similar to those that would be required of a premium-listed company. Sportech is compliant with the code except for the following area of non-conformance:

Following Chris Rigg stepping down from the Board on 31 May 2021, the Company is now non-compliant with respect to the Code as less than half the board, excluding the chairman, comprise non-executive directors determined by the board to be independent. Giles Vardey, Chairman, has joined the Remuneration Committee and will chair the Audit Committee. As the size of the Group has reduced there is a need to reduce central costs and therefore the Board is not currently planning to bring on another Independent Non-executive Director. However, the Board considers this to be satisfactory given the Chairman's previous experience with these committees and Ben Warn's broad experience in the sports betting and gaming area, the much smaller scale of business, less regulatory jurisdictions and less geographic presence. The Board will keep the board composition under review should circumstances change.

Our Committees are structured to ensure the responsibilities of the Board are carried out effectively and in line with best practice procedure.

We will continue to strive for best practice governance. We will use our time together as a Board and during communication between Directors outside of formal meetings to address the core responsibilities of strategy, review the financial and operational performance of the Company, review the risk management and internal controls of the Company and ensure the composition of the Board delivers an effective governing body for Sportech.

Board Leadership and Company Purpose

The Board believes it is effective and entrepreneurial and believes its main role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Board aims to provide the necessary resources for the Company to meet its objectives and measures performance against them. The Board has also established a framework of prudent and effective controls, which enable risk to be assessed and managed.

Shareholders and other Stakeholders

The Board maintains regular dialogue with shareholders through, at a minimum, a planned programme of investor relations, meetings with institutional investors and analysts as required, and regular communication with shareholders.

All stakeholders can and are welcome to question the Board at the AGM both formally and informally. Management meet with and have regular dialogue with stakeholders including gaming regulators, Pension Trustees and Unions.

The Board ensures that workplace policies and practices are consistent with the Company's values and support its long-term sustainable success.

Voting

As recommended by the Code, all resolutions at the 2021 AGM held on 29 June 2021 were voted separately and the voting results, which included all votes cast for, against and those withheld, together with all proxies lodged prior to the meeting, were indicated at the meeting and the final results were released to the London Stock Exchange as soon as practicable after the meeting.

Engagement with the workforce

The Executive Directors work closely with the whole workforce, regularly visiting operating sites and attending local management meetings. Non-executive Directors also visit operating sites once or twice a year and engage with the workforce directly.

The Board engages with the workforce through a variety of channels including direct email updates, quarterly newsletters, meetings, and an employee Intranet website containing information for employees and a forum to communicate on a range of Company related issues.

Conflicts of interest

The Board has a procedure in place to deal with situations where a Director has a conflict of interest, as required by the Companies Act 2006.

Director concerns

Where Directors have concerns about the operation of the Board or the management of the Company that cannot be resolved, their concerns are recorded in the Board minutes or, on resignation, a Non-executive Director provides a written statement to the Chairman, for circulation to the Board, if they have any such concerns.

Division of Responsibilities

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. The Company aims to have at least two Independent Non-executive Directors on the Board to ensure no one individual or small group of individuals dominates the Board's decision-making. There is clear division of responsibility between leadership of the Board (which is the Chairman's role) and the executive leadership of the Company's business, which is the responsibility of the Chief Executive Officer. Detailed information about the division of responsibilities among Board members can be found in the 2020 Annual Report's Corporate Governance Report.

Composition, Succession and Evaluation

Further details on the Company's compliance with these principles can be found in the 2020 Annual Report.

Audit, Risk and Internal Control

Further details on the Company's compliance with these principles can be found in the 2020 Annual Report.

Remuneration

Further details on the Company's compliance with these principles can be found in the 2020 Annual Report.

Board Meetings

The Board meets regularly, remotely or in person. The number of Board and Committee meetings held in 2020 are detailed in the 2020 Annual Report's Corporate Governance Report.

Board Committees

The Committees of the Board are Nomination Committee, Audit Committee and Remuneration Committee. Visit our [website](#) for more information about the Committees and their composition.