

CORPORATE GOVERNANCE STATEMENT

The Board of Redcentric plc (the “Company”) is responsible for the Group’s corporate governance policies and recognises the importance of high standards of corporate governance and integrity. The Company has adopted the Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies 2018 (the “QCA Code”). This statement sets out how the Company complies with the principles of the QCA Code.

1. STRATEGY & BUSINESS MODEL

The Company’s business model and strategy is set out in its 2019 Annual Report and Accounts on pages 5-7. Pages 16 and 17 of the 2019 Annual Report and Accounts also include details of the key risks and challenges facing the Company. The Operating Board of the Company (comprising the Executive Directors and senior representatives from all parts of the business) holds regular strategy review and risk assessment sessions, the outcomes of which are shared and refined with the Board and reflected in the Annual Report and Accounts each year.

2. UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS

Feedback from investors is obtained through direct interaction between the CEO and CFO at meetings following its full year and half year results, and certain other ad-hoc meetings that take place throughout the year. The voting record at the Company’s general meetings is monitored and we are pleased that all resolutions were passed by shareholders at the 2019 Annual General Meeting.

There is regular dialogue through the medium of the Company’s corporate brokers, Numis Securities and finnCap Limited, and the Company seeks to stay abreast of shareholder expectations and reactions through its brokers, registrars, investor roadshows, meetings with key investors and its internal investor relations team.

Details of the Company’s relations with shareholders and investors are set out on pages 22 and 23 of the 2019 Annual Report and Accounts and there is a dedicated investor relations contact email address should shareholders or investors wish to contact the Company (investorrelations@redcentricplc.com).

3. TAKING INTO ACCOUNT WIDER STAKEHOLDER & SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The long-term success of the business relies on its customers and employees as described in the 2019 Annual Report and Accounts on pages 5-7 and 18.

The Company’s extensive customer services, which are detailed at <https://www.redcentricplc.com/services/>, are core to the Company’s customer proposition and the Company is in regular dialogue with its existing and potential customers in order that it may understand and respond to their ongoing and future requirements.

Employees of the Company are given opportunities to provide feedback, including through its quarterly employee briefing sessions carried out by Operating Board members at various business locations to enable employees to ask questions and raise issues and to provide colleagues with updates on the business. The Company also has in place a “Save As You Earn” share scheme to enable employees to become personally invested in the Company.

4. EMBEDDING EFFECTIVE RISK MANAGEMENT

How the Board identifies and manages risk is detailed on page 16 and 17 of the 2019 Annual Report and Accounts. Risk assessment is carried out by the Operating Board on a regular basis and an internal risk register is regularly reviewed and updated.

The Company has also worked hard to attain a number of ISO accreditations, detailed at <https://www.redcentricplc.com/about-us/accreditations-frameworks/>, and has a number of policies and procedures in place in order to fulfill the requirements of and maintain these accreditations.

5. MAINTAINING A BALANCED AND WELL-FUNCTIONING BOARD

The Board currently comprises one Executive Director (with an additional Executive Director appointed with effect from 3 September 2019), three Independent Non-Executive Directors and an Independent Non-Executive Chairman. The composition and operation of the Board is described on page 20 of the 2019 Annual Report and Accounts and biographical details of the Board are on page 19.

Chris Rigg was appointed as an Independent Non-Executive Director in February 2019. Chris Cole has been Non-Executive Director and Chairman since September 2014 and Jon Kempster and Stephen Vaughan have been Non-Executive Directors since January and June 2017 respectively. Peter Brotherton has been an Executive Director since November 2016 and Dean Barber has been appointed as an Executive Director with effect from 3 September 2019.

The Board delegates specific responsibilities to the Board committees. The composition of the committees and how they discharge their responsibilities can be found on pages 21 and 22 of the 2019 Annual Report and Accounts. Part of the role of the Board's Nomination Committee is to ensure that the composition of the Board is kept under review as the Company's business evolves. It is the intention of the Board to diversify its composition in due course.

Directors devote such time to the Company's affairs as the Board considers appropriate and Non-Executive Directors are contractually required to commit sufficient time to the discharge of their duties. Further details are included on page 20 of the 2019 Annual Report and Accounts, and details of the number of meetings of the Board and committees, together with the attendance record for each Board member, are set out on page 21.

6. HAVING APPROPRIATE EXPERIENCE, SKILLS AND CAPABILITIES ON THE BOARD

The experience and skills of each of the Board members is set out on page 19 of the 2019 Annual Report and Accounts and is both recent and relevant in all of their cases. The Board has significant and appropriate level of experience, skill and capabilities given the nature and size of the Company and each member is responsible for ensuring their continuing professional development to maintain their effective skills and knowledge.

In 2019, the Company announced the appointment of Chris Rigg as a Non-Executive Director and Dean Barber as an Executive Director with effect from 3 September 2019. Chris and Dean both extend the breadth of experience on the Board with considerable experience in finance and accounting.

Directors are able to obtain advice or seek clarity on issues raised at Board and committee meetings from within the Company or from external sources. External legal advice has been taken in respect of the ongoing FCA investigation, being a significant matter.

7. EVALUATING BOARD PERFORMANCE

No formal board effectiveness assessment has been completed to date but the Board recognises the importance of evaluating its performance and therefore plans to undertake a Board performance review towards the end of 2019. In addition, the Nomination Committee of the Board meets to consider the effectiveness of the Board and to consider the appointment of new Executives and Non-Executive Directors, as well as succession planning in general.

As mentioned above, the appointment of Chris Rigg and Dean Barber to the Board in 2019 enhances the skills and capabilities of the Board in a key area.

8. ETHICAL VALUES & BEHAVIOURS

The Board leads by example with respect to promoting a healthy corporate culture and ensuring that ethical values and behaviours are embedded in the business. The processes in place for decision making which are documented in its committee terms of reference, the Company's share dealing code and the requirement for regular disclosure of interests are all examples of processes which require high standards of behaviour from the Board.

Employment policies adopted by the Company, such as its whistleblowing and anti-bribery policies assist in embedding a culture of ethical behaviour and the values set out in its corporate social responsibility statement (<https://www.redcentricplc.com/about-us/redcentric-and-the-community/corporate-social-responsibility/>) and Modern Slavery Act statement (<https://www.redcentricplc.com/about-us/redcentric-and-the-community/corporate-social-responsibility/modern-slavery-act/>) also reinforce this culture.

9. MAINTAINING GOVERNANCE STRUCTURES AND PROCESSES

The business and management of the Company and its subsidiaries are the collective responsibility of the Board and authority for the execution of approved policies, business plan and daily running of the business is the responsibility of the Executive Directors along with the Operating Board.

The Board has a formal written schedule of matters that are reserved for its review and approval, as detailed on page 20 of the 2019 Annual Report and Accounts. The Board's Audit, Remuneration and Nomination Committees each also have their own terms of reference. Formal agendas and reports are provided to the Board in advance of Board and Committee meetings.

The Operating Board of the Company exists to monitor operational performance across the business and meets on a weekly basis.

10. COMMUNICATING WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Board recognises the importance of effective communication with its shareholders. A range of corporate information is available on the Company's website, and this statement and the information within the Company's Annual Report and Accounts provide details to stakeholders on how the Company is governed.

Company performance is communicated to its shareholders and the market in its results announcements, with further trading updates made where required and appropriate. Company performance details are provided to employees, within the limitations imposed by the Company's

public company disclosure obligations, in a number of ways, including regular email updates from the CEO and the quarterly employee briefing sessions referred to earlier.

24 June 2019