

Big Sofa Technologies' directors recognise the importance of sound corporate governance. Insofar as is practicable for a company of our current size, Big Sofa Technologies follows the QCA Corporate Governance Guidelines for AIM companies.

Prior to the formal adoption of the Code, the Company has, for several years, operated in compliance with recommendations of the QCA, in so far as the size of both the Company and its Board permitted. For that reason, no significant changes in governance-related matters have been needed. No key governance matters have arisen since the publication of the last Annual Report.

Considering the Company's size and nature, the Board considers that the structure of the current Board is a cost-effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Nicholas Mustoe

Non-executive Chairman

The principles set out in the Code which require disclosure on the website and the required disclosure are set out in the table below.

Establish a strategy and business model which promote long-term value for shareholders

Big Sofa Technologies' objective is a B2B technology business servicing the marketing and consumer insight industries with video analytics.

Our software platform collates, analyses and organises large volumes of raw/unstructured video content enabling companies to perform detailed and sophisticated consumer insight analysis; and make genuine use of their video content.

Until recently, video has been difficult and expensive to capture, upload, store, manage and analyse as a consumer insight tool. However, proliferation of smart phones has empowered consumers to speak directly to brands resulting in an evolution of consumer insight and data analytics techniques, with video emerging as a key platform in a massive £33 billion consumer research market. Our customers are very large global organisations.

Seek to understand and meet shareholder needs and expectations

The Board of Big Sofa Technologies places considerable emphasis on ensuring that all communications with shareholders present a balanced and transparent assessment of the Group's position and prospects. The Board reviews and approves results announcements and trading updates prior to their release.

The Company recognises that shareholder support is instrumental in the future growth of the Company. The Board is committed to maintaining and further developing communications with shareholders.

meetings with the Group's key shareholders immediately following the announcement of the Group's full year and interim results and in response to ad hoc requests received by the Company

In addition, the non-executive directors are available to shareholders to ensure that any potential concerns can be raised directly. The Group's Annual Report and Accounts, final and interim announcements, trading statements and press releases are available on its website.

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Engaging with our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments. The Board is regularly updated on wider stakeholder engagement feedback to stay abreast of stakeholder insights into the issues that matter most to them and our business, and to enable the Board to understand and consider these issues in decision-making. Aside from our shareholders, suppliers and customers, our employees are one of our most important stakeholder groups and the Board therefore closely monitors and reviews the results of the Company's Employee Engagement surveys as well as a number of any other feedback it receives to ensure alignment of interests

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The board of Big Sofa Technologies is responsible for setting the risk framework within which the Company operates and ensuring that suitable risk-management controls and reporting structures are in place throughout the group.

The board seeks to minimise risk in the management of its operations. The Company uses third-party advisors to address specific issues that arise during operations where they bring complementary expertise and experience.

Maintain the board as a well-functioning, balanced team led by the chair

The Big Sofa Technologies board comprises a balance of independent and non-independent directors with collective, specific and complementary skills that enable the Company to manage and direct its affairs in a professional manner, with embedded corporate governance procedures that are fit for purpose.

Board meetings are held at least quarterly and met eight times during FY2017. All necessary documentation is provided to the board in advance, so that they can understand the issues under review and make well-considered decisions.

The board has audit, remuneration and disclosure sub-committees that are chaired by non-executive directors.

The directors devote such time to the Company's affairs as the board considers appropriate.

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The board of Big Sofa Technologies maintains up-to-date skills, knowledge and experience to enable it to direct and manage the Company's operations, finances and its interface with investors, the public markets and its other stakeholders.

The non-executive directors bring a wide range of experience and expertise to the Group's affairs, which allows them to constructively challenge and help develop proposals and strategy, scrutinise performance and controls and take decisions objectively in the interests of the Group. Directors are able to request funds to engage third party advisers and undertake training, at the company's cost, as required.

It takes great care to appoint managers and staff with the appropriate skills and experience, and is aware the importance of encouraging diversity among its workforce.

The board works as a team and regularly reviews its procedures and composition.

Evaluate Board performance based on clear and relevant objectives, seeking continual improvement

Current membership of the Board is as follows:

Name	Role	Status
Nicholas Mustoe	Non-executive chairman	Independent
Simon Lidington	Chief Executive Officer	Non-independent
Matt Lynch	Chief Strategy Officer	Non-independent
Joe MacCarthy	Chief Financial Officer	Non-independent
Paul Clark	Non-executive director	Independent
Steven Metcalfe	Non-executive director	Independent
John Haworth	Non-executive director	Non-independent

Procedures around performance evaluation of the Board are conducted informally while individual director evaluation is conducted formally by the Chair. The Board has sought external advice and assistance from recruitment specialists on engaging additional non-executive directors with relevant experience. In addition to this advice, the Board seeks advice in the normal course of business from auditors, lawyers and tax compliance specialists.

Promote a corporate culture that is based on ethical values and behaviours

The Board strives to promote a corporate culture based on sound ethical values and behaviours.

The Company has adopted a code for directors' and employees' dealings in securities, which is appropriate for a company whose securities are traded on AIM. The code is in accordance with the requirements of the Market Abuse Regulation that came into effect in 2016.

The Board is also aware that the tone and culture it sets will greatly impact all aspects of the Company and the way that employees behave, as well as the achievement of corporate objectives. A significant part of the Company's activities is centred upon an open dialogue with shareholders, employees and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The corporate governance structures which the Company is able to operate are limited by the size of the Board, and in particular the small number of executive directors, which is itself dictated by the current size of the Company's operations. With this limitation, the Board is dedicated to upholding the highest possible standards of governance and probity.

The chairman, Nicholas Mustoe:

- leads the Board and is primarily responsible for the effective working of the Board;
- in consultation with the Board, ensures good corporate governance and sets clear expectations with regards to Company culture, values and behaviour;
- sets the Board's agenda and ensures that all Directors are encouraged to participate fully in the activities and decision-making process of the Board;
- takes responsibility for relationships with the Company's professional advisers and major shareholders.

The chief executive, Simon Lidington:

- is primarily responsible for developing Big Sofa Technologies' strategy in consultation with the Board, for its implementation and for the operational management of the business;
- is primarily responsible for new projects and expansion;
- runs the Company on a day-to-day basis;
- implements the decisions of the Board;
- monitors, reviews and manages key risks;
- is the Company's primary spokesperson, communicating with external audiences, such as investors, analysts and the media.

The finance director, Joe MacCarthy:

- is responsible for the administration of all aspects of the Group;
- oversees the accounting function of all group companies;
- deals with all matters relating to the independent audit.

The remuneration committee is chaired by Paul Clark and comprises Nicholas Mustoe and Steven Metcalfe. It meets on an ad hoc basis when required.

The Disclosure Committee has primary responsibility for, and authority to make decisions on, disclosure delay for the purposes of MAR. Disclosure Committee - The Disclosure Committee comprises Nicholas Mustoe and Paul Clark, and is chaired by Steven Metcalfe.

The audit committee is chaired by Nicholas Mustoe and comprises Steven Metcalfe. It normally meets twice each financial year to consider the interim and final results. In the latter case, the

auditors are present and the meeting considers and takes action on any matters raised by the auditors arising from their audit.

Matters reserved for the Board include:

- Vision and strategy
- Production and trading results
- Financial statements and reporting
- Financing strategy, including debt and other external financing sources
- Budgets, acquisitions and expansion projects, divestments and capital expenditure and business plans
- Corporate governance and compliance
- Risk management and internal controls
- Appointments and succession plans
- Directors' remuneration.

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Shareholders are encouraged to participate at the AGM, to ensure that there is a high level of accountability and identification with the Group's strategy and goals.

Big Sofa Technologies reports on its financial performance and updates on its corporate governance at least two times each year, at the half year and full year financial results.

These reports are available on the "Regulatory News" section of the website and in the Annual Report.

The financial results are also communicated via RNS announcements.

The Board pays particular attention to the votes cast by the shareholders at the Annual General Meeting. In the event that a significant proportion (>20% including proxies) of independent votes are cast against a resolution at a General Meeting of the Company, the Board intends, on a timely basis, to explain any action it has taken or will take as a result of that vote.

28 September 2018