

## **CHAIR OF THE BOARD'S CORPORATE GOVERNANCE STATEMENT**

### **Overview**

As Chair of the board of directors (**Board**) of Keywords Studios plc (**Company**), it is my responsibility to ensure that the Company and its subsidiaries (together, the **Group** or **Keywords**) has sound corporate governance and a Board which operates mindful of its responsibility to all stakeholders, but particularly to the creation of shareholder value and nurturing our most important asset, our people. My responsibilities include leading the Board effectively, overseeing the Group's corporate governance model, communicating with shareholders and ensuring that good information flows freely between management and Non-Executive Directors in a timely manner. An internal Board evaluation concluded in 2023 found that the Board continues to operate well, and some, relatively minor, actions were agreed to further enhance the Board's operational effectiveness.

The Board recognises the value of good corporate governance in promoting the long-term success of the Company. The Company adheres to the Quoted Companies Alliance "Corporate Governance Code" (**QCA Code**), which we believe is the most suitable for Keywords. The Board regards the application of the QCA Code as a valuable tool to underpin the Board's effective operation and the Group's long-term success, however, the Board is also committed to the highest standards of corporate governance and, as such, seeks to comply with the principles of the UK Corporate Governance Code 2018 where possible and appropriate.

The Board is assured that the Company continues to comply with the QCA Code in all applicable respects. A comprehensive statement of how we have applied the QCA Code is presented below.

### **QCA Principles**

#### **1. Establish a purpose, strategy and business model which promotes long-term value for shareholders**

Keywords is an international provider of creative and technology-enabled solutions to the global video games and entertainment industries. Established in 1998, and now with over 70 facilities in 26 countries strategically located in Asia, Australia, the Americas, and Europe, it provides services across the entire content development life cycle through its Create, Globalize and Engage service lines to a large blue-chip client base across the globe.

In 2022, we set out how we intend to build on our strong foundations to further unlock Keywords' considerable potential and deliver an ever-more compelling proposition globally for our partners in the video games industry, and adjacent content markets.

Our key areas of focus to take Keywords forward and to drive accelerated sustainable growth and opportunity are:

##### *1 - Strategic Partnerships*

We are developing deeper strategic client partnerships at all levels to create and capture more value together, driving success for our clients and more demand for Keywords' services.

##### *2 - Technology*

We are harnessing new and existing technologies to enable Keywords to work smarter, do more for our clients and stay at the forefront of the industry. This includes broadening our use of AI, Machine

Learning and automation across our global platform enabling us to scale and enhance our offering.

### *3 - One Keywords*

We are galvanising the Group's "One Keywords" culture of entrepreneurialism and collaboration to make it easier to navigate our comprehensive service and studio platform and facilitate more collaboration and scalability.

### *04 - Talent and capabilities*

We aim to establish Keywords as the destination for talent and career development in the industry.

Our goal is to enhance our employee value proposition to support the growth of our global and increasingly diverse workforce. We will do this through talent acquisition and development, effective communication and engagement, and a broadening of our DEIB initiatives.

### *05 - Adjacent Markets*

We are leveraging the Group's capabilities to target closely adjacent markets that are increasingly utilising video games expertise, that naturally fit with our current offering, or where we can transfer our gaming experience to other close verticals.

The Company has implemented remuneration policies that reinforce this strategy, by rewarding Executive Directors and senior management for delivering shareholder value in the medium to long term. There is also an annual strategy conference attended by senior management as well as the Board, where the strategy is reviewed and restated. Keywords' business model, market review and risks relating to our strategy are described in our 2022 Annual Report, which is available to read on the Company's website [www.keywordsstudios.com](http://www.keywordsstudios.com).

## **2. Promote a corporate culture that is based on ethical values and behaviours**

The Board recognises that its decisions regarding strategy and risk may impact the corporate culture of the Group and that this may impact the performance of the Company. The Board is also aware that the tone and culture set by the Board can have an important influence on employee behaviour.

Keywords has established a set of five core leadership principles under the rubric "Imagine More". These underpin our corporate culture and promote entrepreneurial and open ways of working, so we can build close, trusting relationships with colleagues, suppliers, partners and clients.

A whistleblowing process operates across the Group to enable employees and other stakeholders to report suspected misconduct, illegal acts or failures to act. The aim of this is to create a safe environment for employees and others who have serious bona fide concerns about any aspect of the Group's work to come forward and voice those concerns without personal risk of retribution or reprisal. The Board reviewed the operation of the whistleblowing portal and received regular reports of incidents and investigations, and is confident that a robust process is in place.

The Board seeks to better understand the interests of employees through an annual employee survey, pulse surveys throughout the year, and regular townhall meetings which provide a forum for management to present important matters and respond directly to feedback from employees. Further details can be read on page 43 of our 2022 Annual Report.

The ESG Committee is responsible for overseeing workforce matters, including corporate culture, further details of which can be read in the ESG Committee report on pages 102-103 of our 2022 Annual

Report.

### **3. Seek to understand and meet shareholder needs and expectations**

The Board is committed to maintaining good communication and constructive interaction with all shareholders, throughout its annual reporting cycle, by holding analyst and investor presentations and through its capital markets days, Regulatory News Service announcements and information published on the Company's website. The Executive Directors meet shareholders and other investors/potential investors at regular intervals during the year and host broker and analyst meetings from time to time. The Chair is also available to meet with the largest shareholders during the year without management present.

At the Annual General Meeting of the Company, which we regard as an opportunity to meet, listen and present to our shareholders, all shareholders are encouraged to attend and ask questions.

### **4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success**

The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long-term value to its shareholders whilst being cognisant of the interests of other stakeholders. The Board recognises that the long-term success of the Company relies upon good relations with other key stakeholders, identified as our workforce, clients, suppliers and communities. The Board has put in place a range of processes to ensure it maintains close contact with these key stakeholders.

The ESG Committee is responsible for oversight of Group initiatives designed to promote the long-term success of the Company as a sustainable, well-governed and responsible employer, partner, supplier and customer. A summary of its activities is presented on pages 102-103 of our 2022 Annual Report.

The Group has developed close relationships with many of its key stakeholders and provides them with the opportunity to raise issues and provide feedback to it. Examples include customer feedback surveys, strategy discussions with key clients, employee surveys and a variety of communication sessions to cater for various employee groups. Full details of the Company's and the Board's engagement with its stakeholders is presented on pages 56-57 of our 2022 Annual Report.

Whilst we are not a large emitter of greenhouse gases (**GHG**), we recognise our responsibility to minimise our impact on the planet as well as to respond to our stakeholder needs. We are taking concrete actions to do this and have set long-term GHG intensity reduction targets and we monitor our waste and energy consumption for scope 1 and 2 emissions and are developing our reporting for scope 3 emissions, in line with the requirements of the Taskforce on Climate-Related Financial Disclosures. Our Sustainable Studios programme, aimed at supporting our studios in their efforts to minimize greenhouse gas emissions and reduce their environmental impact, continued to make good progress in the year. As part of this we completed our first Group-wide environmental assessment of all studios, which showed a good level of adherence to best practices across many studios. In a number of countries, including Spain, Japan, Germany, Australia, the UK and Italy, most studios are now on 100% renewable electricity, and other countries are working on implementing the conversion. Overall, 16 of our studios are now on renewable tariffs globally. Further information on our environmental activities is presented on pages 48-51 of our 2022 Annual Report.

## **5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation**

The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the Group's risk management and internal control mechanisms. The status of our principal risks, as well as any emerging risks, is recorded in a comprehensive risk register for discussion at the Audit Committee. The Company's principal risks, along with key challenges in the execution of the Company's strategy, and along with the controls implemented to mitigate them, can be found on pages 62-68 of our 2022 Annual Report.

The Audit Committee is responsible for the oversight of the Company's risk management and internal controls and procedures, as well as determining the adequacy and efficiency of internal control and risk management systems. The Board continuously monitors and upgrades its internal control procedures and risk management mechanisms and conducts regular reviews of their effectiveness. This process enables the Board to determine whether the risk exposure has changed during the year. When setting and implementing strategy, the Board takes into account the principal risks and seeks to limit the extent of the Company's exposure to them, having regard to both its risk tolerance and risk appetite, through appropriate mitigations.

The Directors believe that the Group has internal control systems in place appropriate to the size and nature of its business. The key elements are:

- Board meetings are held at least six times per year, receiving reports on, and holding discussions with, management on performance and key risk areas in the business.
- Monthly financial reporting, for the Group and for each service line, of actual performance compared to budget and the prior year and a dashboard of KPIs.
- Visits to key studio locations.
- Annual budget setting.
- Robust cash management.
- Annual strategy conference with the senior leadership team.
- A defined organisational structure with appropriate delegations of authority.

An internal audit function supports the Group's assurance activities, reporting to the Chair of the Audit Committee as well as the CFO. The activities of the internal audit function are governed by an Internal Audit Charter which was re-approved and signed off by the Audit Committee during the year. The internal audit plan was revised to take into account the ability to conduct site visits in person. The Audit Committee received updates on the results of internal audit work, including: integration of recently acquired businesses; implementation and communication of Group policies; business assurance processes; IT and physical security; material risks, including financial and operational risks; the internal controls framework for three key process areas: customer onboarding, intercompany transactions, and hire-to-retire practices; and remediation plans and alternative controls.

## **6. Establish and maintain the board as a well-functioning, balanced team led by the Chair**

The Board, as a whole, is responsible for the overall management of the Company and for its strategic direction, including approval of the Group's strategy (including corporate and business development), its corporate culture, its annual business plans and budgets, the interim and full year financial statements and reports, any dividend proposals, the accounting policies, major capital projects, treasury management policies, any investments or disposals, its succession plans and the monitoring

of financial performance against budget and the formulation of the Group's risk appetite, including the identification, assessment and monitoring of Keywords' principal risks.

The Board currently comprises three Executive Directors, Bertrand Bodson (CEO), Robert Kingston (CFO) and Jon Hauck (COO), and five Non-Executive Directors, Don Robert (Chair), Charlotta Ginman (Senior Independent Director), Georges Fornay, Marion Sear and Neil Thompson. Director biographies and Committee memberships are detailed on pages 70-73 of our 2022 Annual Report. Following a number of Board changes in the year, our Board diversity is currently 29% female Directors. The Company annually reviews and updates its Board Diversity Policy, which aims to improving skills, thought, gender and ethnic diversity on the Board.

Letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours. The Executive Directors work full-time for the Company. All Non-Executive Directors are expected to dedicate at least 30 days per annum to the Company, rising to 40 days if they also chair a Committee, and the Chair is expected to dedicate 60 days per annum. The Company has adopted a policy whereby all members of the Board are subject to re-election at each AGM. In practice, all the Non-Executive Directors spend more than the minimum number of days on Company business.

Charlotta Ginman currently holds six non-executive directorships. Of those, three roles are at investment companies that generally only have four to five meetings a year, and the other three are at AIM listed entities, with less regulatory burden than premium listed companies, and the Nominations Committee is therefore confident that Charlotta has sufficient time to devote to her Keywords role. In particular, during 2022-2023 Charlotta dedicated additional time in leading the Chair search process.

The Board is satisfied that it has a suitable balance between independence and knowledge of the Company, and that no individual or group may dominate the Board's decisions. The Non-Executive Directors have both the breadth and depth of skills, and experience, to effectively discharge their responsibilities. The Board conducted a comprehensive review of its skills, knowledge, experience and diversity, and concluded that the current balance of skills on the Board, as a whole, reflects a broad range of personal, commercial and professional experience, including a variety of financial and managerial skills. The Chair fosters healthy debate in the boardroom by encouraging all Directors to use their independent judgement and to robustly challenge management on strategic and operational matters.

The Board meets a minimum of six times a year and a forward schedule of meetings and matters is fixed to ensure the Board considers a broad range of appropriate matters. Given the global nature of our business, the Directors meet in person and remotely, as required, with senior managers across the business and visit at least one of our studios each year. Board meetings are open and constructive, with every Director participating fully. Senior managers are invited to present deep dives on particular areas of interest to the Board, providing the Board the opportunity to engage directly with senior managers and maintain a comprehensive view of the Group's business. The Non-Executive Directors meet without the presence of the Executive Directors and maintain ongoing communications with Executive Directors between formal Board meetings. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary.

In line with good corporate governance practice, the responsibilities of the Chair and CEO are separate and well defined. A copy of the Chair/CEO Split of Responsibilities is available on the Company's website [www.keywordsstudios.com](http://www.keywordsstudios.com).

Charlotta Ginman is the current Senior Independent Director (SID) and is also available to shareholders and other Non-Executive Directors to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication.

**7. Maintain appropriate corporate governance structures and ensure that, individually and collectively, Directors have the necessary up-to-date experience, skills and capabilities**

Nominations Committee

The Nominations Committee is chaired by Don Robert and its other members are Charlotta Ginman, Marion Sears, Georges Fornay and Neil Thompson. The Nominations Committee is responsible for keeping under review the structure, size and composition of the Board, its Committees, and the Executive Committee. Further information on the Nominations Committee, including its role and responsibilities, can be found in the Nominations Committee Report on pages 80-81 of our 2022 Annual Report.

Audit Committee

The Audit Committee is chaired by Charlotta Ginman, and its other members are Don Robert, Georges Fornay, Marion Sears and Neil Thompson. The Audit Committee is responsible for overseeing financial reporting, risk management and internal control procedures, as well as the appointment, removal and scope of work of the external auditor (including non-audit services, independence and objectivity). Further information on the Audit Committee can be found in the Audit Committee Report on pages 82-85 of our 2022 Annual Report.

Remuneration Committee

The Remuneration Committee is chaired by Marion Sears, and its other members are Don Robert, Georges Fornay, Charlotta Ginman and Neil Thompson. The Remuneration Committee is responsible for determining the remuneration of the Chair (with the Chair absenting themselves), Executive Directors and senior executives of Keywords. The Remuneration Committee is responsible for making recommendations to the Board on Directors' and senior executives' remuneration. Non-Executive Directors' remuneration is determined by the Executive Directors. Further information on the Remuneration Committee can be found in the Directors' Remuneration Report on pages 86-101 of our 2022 Annual Report.

ESG Committee

The ESG Committee is chaired by Georges Fornay and its other members are Don Robert, Charlotta Ginman, Neil Thompson, Marion Sears, Bertrand Bodson, Rob Kingston and Jon Hauck. The remit of the ESG Committee is to oversee the following areas which have been identified as environmental, social and governance priorities: (i) people; (ii) client; (iii) community; and (iv) planet; and all underpinned by (v) corporate governance. Further information on the ESG Committee, including its role and responsibilities, can be found in the ESG Committee report on pages 102-103 of our 2022 Annual Report.

The Matters Reserved for the Board and terms of reference for all the Committees are available on the Company's website [www.keywordsstudios.com](http://www.keywordsstudios.com).

The Board has the mix of skills, experience and capabilities required to fulfil its responsibilities. The Company believes that the current balance of skills in the Board as a whole reflects a broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets. Details of the Directors' experience and areas of expertise are outlined on pages 70-73 of our 2022 Annual Report.

The Non-Executive Directors regularly meet without the presence of the Executive Directors and maintain ongoing communications with Executive Directors between formal Board meetings. In addition to their general board responsibilities, Non-Executive Directors are encouraged to be involved in specific workshops or meetings, in line with their individual areas of expertise.

The Chair is supported by the Group General Counsel & Company Secretary in maintaining excellent standards of corporate governance and providing necessary updates to the Board on corporate governance developments and AIM regulations.

The Directors have access to the Company's nominated adviser, company secretary, lawyers and auditors and are able to obtain external advice, as required. The Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

The Board reviews annually the appropriateness and opportunity for continuing professional development, whether formal or informal.

#### **8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

In 2023, an internal evaluation of the effectiveness of the Board and its Committees concluded that the Board and its Committees continue to operate effectively. An externally facilitated evaluation was last conducted in 2021 and the Board is committed to a periodic external evaluation.

The evaluation exercise comprised two stages. The first stage was a detailed questionnaire to gather feedback from each Director on the overall performance of the Board and the Board Committees. The second stage was a series of individual discussions held between the Chair with each Director and the Senior Independent Director with each Director. The areas addressed by the evaluation were: composition and skills, culture and integrity, operating effectiveness and efficiency, stakeholder engagement, quality of information and ongoing development, the overall contribution of each Director and the effectiveness of the Chair.

#### **9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture**

The Remuneration Committee determines the Company's policy on the remuneration structure for the Company's Executive Directors, the Group's other Executive Committee members (**ExCo**) and the Company Secretary, and is responsible for oversight of the Remuneration Policy for the broader employee population. The objectives of this policy are to:

- reward executives in a manner that ensures they are properly incentivised and motivated to perform in the best interests of shareholders;
- provide a level of remuneration required to attract, motivate and retain high-calibre individuals;
- encourage value creation, through consistent and transparent alignment of incentive arrangements with the agreed Company strategy over the long term; and

- ensure the total remuneration packages, comprising both performance-related and non-performance-related remuneration, are designed to motivate the individual, align interests with shareholders and comply with corporate governance best practice.

The Remuneration Committee believes the foregoing objectives are best achieved by a remuneration structure whereby:

- base salaries are targeted at up to median vs relevant comparator groups;
- annual bonuses are set at a reasonable level, with on-target performance and stretching targets; and
- long-term incentives are set at upper quartile, being the means by which executives can earn significant rewards if, but only if, shareholders likewise have obtained a good return.

The Remuneration Policy is set out on pages 89-93 of our 2022 Annual Report.

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

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. The Company aspires to have close ongoing relationships with its private shareholders, institutional shareholders and analysts, and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company. The Company receives reports from proxy voting agencies, reviews their findings and meet to discuss shareholder matters. The Board maintains that, if there is a resolution passed at a general meeting with 20% votes cast against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action. At the 2023 AGM, all resolutions were passed comfortably. All corporate documents, including historical annual reports, notices of general meetings and details of the 2023 AGM results, can be found online at [www.keywordsstudios.com](http://www.keywordsstudios.com).

Investors have access to current information about the Company through the Company's website, [www.keywordsstudios.com](http://www.keywordsstudios.com). The Company promotes electronic communications with shareholders to be more efficient and mindful of its environmental impact.

**Don Robert**

**Chair of the Board – 7 December 2023**