

THE QCA CODE

STATEMENT OF COMPLIANCE WITH THE PRINCIPLES OF THE QUOTED COMPANIES ALLIANCE CORPORATE GOVERNANCE CODE (THE “QCA CODE”)

25 March 2021

PURPLEBRICKS GROUP PLC (THE “COMPANY”)

The Board of Purplebricks Group plc seeks to follow best practice in corporate governance as appropriate for a company of our size, nature and stage of development. As a public company listed on AIM we are cognisant of the trust placed in the Board by institutional and retail investors, employees and other stakeholders. We recognise the importance of an effectively operating corporate governance framework and as such the Board has adopted the principles of the 2018 Quoted Companies Alliance Corporate Governance Code - (“the QCA Code”) to support the Company’s governance framework. The Directors acknowledge the importance of the ten principles set out in the “QCA Code and this statement briefly sets out how we comply with the provisions of the QCA Code.

QCA Code Principle	QCA Code Guidance	What we do
1. Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company’s purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	The Company’s business model is explained in detail in the Strategic Report section of our Annual Report and Accounts for the year ended 30 April 2020 (the “Annual Report”). The Annual Report also contains a summary of the principal risks to the Company and our business on pages 16 and 17 of the Annual Report.

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<p>2. Seek to understand and meet shareholder needs and expectations</p>	<p>Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.</p> <p>The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.</p>	<p>We are committed to listening and communicating openly with our shareholders to ensure that our strategy, business model and performance are understood.</p> <p>The Directors actively seek to build healthy relationships with our institutional shareholders and make presentations to this group, and to analysts, following the release of half year and full year results.</p> <p>In addition, the CEO, CFO and Investor Relations team regularly meet with these groups as well as potential investors to understand what they think, and to ensure they understand the business. The views of all these stakeholder groups are regularly reported to the board. The Chairman is also available to meet with major shareholders if required to discuss important company related issues with them.</p> <p>The Company's Nominated Adviser and Brokers also liaise with institutional investors to understand their views and share these with the board.</p> <p>Axel Springer, our largest shareholder, maintains one non-executive Director to the Board as part of their strategic investment.</p> <p>The Company responds promptly to ad hoc shareholder enquiries and views the AGM as an important opportunity to meet private shareholders and for them to ask questions.</p>

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<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model.</p> <p>Feedback is an essential part of all control mechanisms.</p> <p>Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.</p>	<p>In addition to its shareholders, the Company believes its main stakeholders are our customers, employees, self-employed field teams and relevant regulatory authorities. Engaging with all of our stakeholders strengthens relationships, helps make better business decisions and improves the delivery of our strategy.</p> <p>The Company encourages customers to provide feedback directly through our Local Property Experts and also through independent review websites such as TrustPilot and Feefo. We continually monitor this feedback, as well as any feedback on social media, and act on it as appropriate.</p> <p>The Company is founded on the principle of delivering fairness in, and transparency of, pricing to the consumer. As set out in the Annual Report, this has its foundations in a company that cares about its customers, and puts them at the heart of what we do.</p> <p>Our employees are one of our most important stakeholder groups and the Company closely monitors and reviews the results of employee surveys as well as other feedback it receives to ensure alignment of interests with our teams.</p> <p>The Company firmly believes that having an empowered team of employees, aligned to the corporate goals and values are key to the success of the business.</p> <p>While our Field teams are self-employed, it is important to ensure that we adopt a similar approach to ensure that they have the freedom and flexibility to operate and grow their own businesses, whilst also representing the values of Purplebricks.</p> <p>The Company's culture means that senior management and directors are accessible to all employees and field staff for informal feedback which is then considered and acted on in the relevant forum.</p> <p>As the Company has grown and become subject to increasing regulation, we have sought to maintain close relationships with relevant regulators and build cooperative relationships. We proactively meet regulators and act promptly on advice or guidance that they give.</p> <p>The Company is asset light and considers that, compared to the traditional estate agency model, has a low environmental impact. We monitor our impact on the environment in accordance with regulatory guidelines.</p>

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<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.</p> <p>Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p>The Board has overall responsibility for the Company's risk management approach.</p> <p>The Company has adopted a risk management approach whereby day to day management of risk will be overseen by the executive management and reported to the Board via the Audit Committee.</p> <p>The Company formally reviews the principal risks to the business annually and the key risks, and how these are mitigated, are set out in pages 16 and 17 of the Annual Report.</p> <p>The Board meets regularly throughout the year to review strategic execution, trading performance, outlook and new material risks associated with ongoing trading.</p>
<p>5. Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The Board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.</p> <p>The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.</p> <p>The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non- executive directors.</p> <p>Independence is a board judgement.</p> <p>The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfil their roles.</p>	<p>The Company is directed by the Board of Directors. Paul Pindar, the non-executive Chairman, is responsible for the management of the Board and defining the Company's approach to corporate governance with the assistance of the Company Secretary and senior management. Vic Darvey, as CEO, has executive responsibility for running the Company's business and implementing the Company's strategy.</p> <p>The Board has the necessary skills and knowledge to discharge their duties and responsibilities effectively. To enable the board to operate effectively, all board members receive regular information relating to the Company's operational and financial performance in advance of board meetings and at least monthly.</p> <p>Draft minutes of the board meetings are circulated to the directors prior to being agreed. All Directors have direct access to the advice and services of the Company Secretary and are able to take independent professional advice in the furtherance of their duties (either in relation to their duties as Directors or as a member of a Board Committee) at the Company's expense.</p> <p>The Board comprises two executive Directors and five non-executive Directors (including the Chairman). The Board considers that three of the non-executive Directors are independent.</p> <p>The Board has a formal schedule of matters reserved to it and is supported by the Audit, Remuneration and Nomination Committees. The Board is satisfied that the Committees have the necessary breadth of skills and knowledge to discharge their duties and responsibilities effectively. The Schedule of Matters Reserved and Committee Terms of Reference are available on the Company's website.</p>

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<p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition.</p> <p>The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.</p> <p>As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.</p>	<p>The Board comprised two executive and five non-executive Directors (including the Chairman). The Board considers that three of the non-executive Directors are independent. The Directors bring an appropriate balance of skills, experience and knowledge which gives them the ability to constructively challenge the strategy and to scrutinise performance.</p> <p>The executive and non-executive Directors' skill sets are complementary, and together provide a blend of broad commercial, operational, and financial expertise that means that all decision making at Board level is robust and mindful of the fiduciary responsibilities that need to be discharged to all shareholders.</p> <p>The skills and experience of the Directors are set out in their biographies.</p>
<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.</p> <p>The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team.</p> <p>It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.</p>	<p>The Board is aware of the need to challenge its effectiveness and diversity going forward, but as a relatively young board in terms of appointment has not engaged a third party to review the effectiveness and operation of the Board and its committees, in accordance with the Financial Reporting Council's Guidance on Board Effectiveness.</p>

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<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p> <p>The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team.</p> <p>Corporate values should guide the objectives and strategy of the company.</p> <p>The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.</p>	<p>While the Board and the business make decisions based on sound ethical values and behaviours, the Board does not currently promote a formal policy driven culture of ethical values. To date this has not been necessary as the Company is young and has had a small number of employees, with very few layers in the organization. As a result it has been easy to ensure that the team operates within our values and beliefs. As the Company grows, it is beginning to formalise and communicate the Company's values and to ensure these exist throughout all levels and aspects of the business. The Board is constantly reviewing this position and will accelerate and evolve the embedding of our values as required.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> • size and complexity; and • capacity, appetite and tolerance for risk. <p>The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.</p>	<p>The Company's governance structures are set out on pages 25 to 28 of the Annual Report.</p> <p>As the Company grows and its business becomes increasingly complex, the Board keeps the Company's corporate governance arrangements under review.</p>

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<p>10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.</p>	<p>A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.</p> <p>In particular, appropriate communication and reporting structure should exist between the board and all constituent parts of its shareholder base.</p> <p>This will assist:</p> <ul style="list-style-type: none"> the communication of shareholders' views to the board; and the shareholders' understanding of the unique circumstances and constraints faced by the company. <p>It should be clear where these communication practices are described (annual report or website).</p>	<p>The Company is committed to engaging openly with its shareholders to ensure that its strategy, business model and performance are understood. The principal methods of communication with investors are the Annual Report and Accounts, Interim Reporting, the AGM, and the corporate website in addition to presentations to investors and analysts.</p> <p>The Company's performance and value to our shareholders are influenced by interaction with other stakeholders, principally our customers, employees, field teams, relevant regulatory authorities and our strategic commercial partners.</p> <p>Our approach to all these parties is founded on the principle of open communication and aligned objectives.</p> <p>Please see the responses to Principles 2 and 3 for more detail.</p>