



giffgaff Limited – Section 172(1) Statement

This statement, provided by the Directors of giffgaff, sets out in tangible terms how the Directors have had regard to the considerations set out in Section 172(1) of the Companies Act 2006 ("Section 172").

Section 172 requires the Directors to each act in a way they consider, in good faith would most likely promote the success of the Company for the benefit of its shareholder, and in doing so have regard to the:

- a) likely consequences of any decisions in the long term;
- b) interest of the Company's employees;
- c) the need to foster the Company's business relationship with suppliers, customers and others;
- d) the impact of the Company's operation on the community and environment;
- e) the desirability of the Company maintaining a reputation of high standard of business conduct; and
- f) The need to act fairly between shareholders of the Company.

The Directors and Leadership Team are of the opinion that they have fulfilled their statutory obligations under Section 172. The Directors and Leadership Team of giffgaff are aware and have been reminded of their statutory Section 172 duties through formal training. In addition, the Directors have established a formal contract signature process and procedure to ensure adequate consideration of all these matters before entering into any contractual agreement or transaction.

During 2019 the Directors and Leadership team took the decision to streamline giffgaff's commercial offering and investment decisions by reviewing, and ultimately discontinuing, investment in "giffgaff gameplan". The gameplan initiative was originally designed to explore nascent opportunities in the open banking sector, providing value to members and growth for our shareholder. Early explorations, supported by our members, showed promise but ultimately demonstrated that the initiative could not scale to a level that warranted continued investment. The decision to discontinue gameplan was taken by the Directors after careful consideration of:

- the future long-term strategy of the Company;
- evaluation of its existing strengths, expertise and weaknesses; and
- the return on investment to members and our shareholder.

This clarification of Company focus, decided by the Directors, resulted in a clearer direction for the Company as a whole, which in turn has allowed all employees to focus on maintaining our distinctive reputation as a mobile telecommunications company, first and foremost.

To complement this, the Directors have overseen activity to develop giffgaff's mobile offering and ability to connect society. This has been achieved by continuing to research the future use cases of new communication technologies such as 5G. This is in addition to the Company's extensive focus to promote "refurbished" mobile devices that are recycled, reused and resold, demonstrating the Company's environmentally conscious ethos.

The Company also ensures the Directors have complete and regular oversight over day-to-day activities in order to allow them to fully satisfy their Section 172 duties. As mentioned above this includes the roll out of an electronic contract approval mechanism. This requires commercial arrangements to be explicitly approved from senior leadership members, with the Section 172 requirements explicitly flagged during the approval process. This allows for a fully auditable trail to demonstrate Section 172 compliance and oversight. Additionally, regular minuted bi-monthly risk assurance meetings are held with the Leadership Team to provide oversight of key risks relating to the long-term success of the company. This provides the Leadership Team and the Chief Executive of giffgaff (who is also a Director) with clear facts to allow them to fulfil their Section 172 duties and take strategic decisions with full knowledge of the business health and risks.