

# Supply@ME Capital PLC (the “company”)

## Statement of Compliance with the QCA Corporate Governance Code

20 March, 2020

### Chairman’s introduction

As Chairman of the Board of Directors of Supply@ME Capital plc (“SYME”, “We”, or the “Company/Group” as the context requires), it is my responsibility to ensure that SYME has both sound corporate governance and an effective Board. My responsibilities include leading the Board effectively, overseeing the Company’s corporate governance model, and ensuring that good information flows freely between Executives and Non-Executives in a timely manner.

SYME has decided to adopt the Quoted Companies Alliance Corporate Governance (QCA Code). This report follows the structure of these guidelines and explains how we have applied the guidance. We will provide annual updates on our compliance with the QCA Code. The Board considers that the Group complies with the QCA Code so far as it is practicable having regard to the size, nature and current stage of development of the Company, and will disclose any areas of non-compliance in the text below.

SYME understands that application of the QCA Code supports the Company’s medium to long-term success whilst simultaneously managing risks and providing an underlying framework of commitment and transparent communications with stakeholders. We are committed to monitoring and promoting a socially responsible corporate culture, illustrated through internal policies and external stakeholder engagement.

### Dominic White: Chairman

#### Principle 1. **Establish a strategy and business model which promote long-term value for shareholders.**

The Company plans to continue its growth [both organically and through acquisitions], expanding its range of services, as well as expanding into new vertical and geographic markets. The Company’s strategy and business model, as well as the competitive landscape, are explained in detail in the LSE Standard List Admission Document dated 4 March 2020 and can be found on the Company’s website.

#### Principle 2. **Seek to understand and meet shareholder needs and expectations.**

Dominic White, (Chairman) and Alessandro Zamboni (Chief Executive Officer) are the key shareholder liaison contacts alongside the Company’s Financial Advisers. In addition, Susanne Chishti is the Senior Independent Non-Executive Director, whom shareholders are encouraged to contact if there are any concerns about matters relating to related party transactions and wider corporate governance.

The Group seeks to maintain and enhance good relations with its shareholders. The Company’s interim and annual reports will be supplemented by capital market presentations and through public announcements to the market on corporate, technological and financial progress.

The Board will actively engage with shareholders at least three times a year. Meetings will be held following results announcements and are either one-to-one or group meetings with institutional and high net worth investors. Another forum for meeting shareholders is the AGM, to which all shareholders will be invited to attend and spend time with management. In addition, the Company will seek to respond to shareholder queries sent to its designated shareholder email address: [shareholders@supplymecapital.com](mailto:shareholders@supplymecapital.com).

The Company’s financial and investor relations advisers help to provide the Board with investor feedback after investor presentations and meetings, as well as calls with shareholders following key items of news flow. Via communication with the Company’s advisers, and investment analysts, together with Regulatory News Service announcements and the Company’s Annual Report, the Board gauges investor sentiment, sets expectations and communicates the Company’s intentions.

Where feedback is received directly from shareholders or shareholder advisory groups, for example relating to voting intentions on general meeting motions, this will be brought to the attention of and discussed by the Board and the key Company investor liaisons will discuss with investors their reasons for voting and if necessary work with these and other investors to determine an appropriate course of action for the benefit of all shareholders.

**Principle 3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.**

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. 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. Details of how we seek to understand and meet shareholder needs and expectations are set out at Principle 2, above.

For its wider group of stakeholders, the Company intends to engage with these via:

- Face-to-face briefings for staff to update on the Company’s progress and developments;
- Email updates for staff regarding developments;
- Releasing public updates via the RNS service;
- Regular meetings with key customers and creator partners.

Stakeholder feedback is passed to Senior Management via the relevant team member as appropriate.

**Principle 4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.**

The Board continues to monitor the risk profile, and the risk management processes and procedures that underpin it. The Company’s risk profile will be considered by the Board on a quarterly basis, with ad hoc reviews conducted as required. More detail about the identified principal risks and uncertainties can be found in the Admission Document on the Group’s website. The Board is responsible for establishing and maintaining the Company’s system of internal financial controls and the Audit Committee assists the Board in discharging its duties relating to internal financial controls. Internal financial control systems are designed to meet the particular needs of the Company and the risk to which it is exposed, and by its very nature can provide reasonable, but not absolute, assurance against material misstatement or loss.

Areas of focus for internal financial controls include strategic planning, approval of annual budgets, regular monitoring of performance against budget (including full investigation of significant variances), control of capital expenditure and ensuring proper accounting records are maintained. The Directors will continue to reassess internal financial controls as the Company expands further. It is the Board’s policy to ensure that the management structure and the quality and integrity of the personnel are compatible with the requirements of the Group.

The Company’s auditors will be encouraged to raise comments on internal control in their management letter following their audit, and the points raised and actions arising will be monitored through to completion by the Audit Committee.

**Principle 5. Maintaining the Board as a well-functioning, balanced team led by the Chair.**

The Board consists of the Non-Executive Chairman, the Chief Executive and two additional Non-Executive Directors. The biographical details of the Board members can be found in the Admission Document and on the Company’s Website.

The Board has determined that Enrico Camerinelli (Aged 57) and Susanne Chishti (Aged 48) are independent in character and judgment and satisfy the independence criteria under the QCA Code. Susanne Chishti has also been appointed as Senior Independent Non-Executive Director.

The Board is typically expected to meet monthly in order to, amongst other things, approve financial statements, dividends and significant changes in accounting practices and key commercial matters.

The Directors commit the requisite amount of time to their respective roles to ensure that they discharge their individual and collective responsibilities in an effective manner. The Company has effective procedures in place to monitor and deal with conflicts of interest.

The Board is supported by an Audit Committee, a Remuneration Committee and a Nomination Committee. Further details of which are set out on the Company’s website.

Future annual reports will include details of the number of Board and Committee meetings taken place each year. Until the first Annual Report is released, this is an area where the Company will not be fully compliant with the QCA’s principles.

**Principle 6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.**

The Board considers its overall size and current composition to be suitable and 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 structure, size and composition of the Board based upon the skills, knowledge and experience required will be regularly reviewed to ensure the Board operates effectively.

In order to develop their skills and keep up to date with market developments and corporate governance matters, the Board will receive training from the Company’s Financial Adviser as required. All directors are also able to take independent professional advice in the furtherance of their duties, if necessary, at the Company’s expense.

Biographies for each of the directors, including details on their experience and skills, are set out on the Company’s website.

**Principle 7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

The Board’s effectiveness and the individual performance of Directors are considered regularly by the Board on an informal basis, via feedback to the Chairman. Directors are encouraged

to provide feedback on all areas of the board efficacy, having due regard to the balance of skills, experience, independence and knowledge contributed by members of the Board, as well as the successful operation of the Board as a unit, its diversity and other factors relevant to its effectiveness. As the Board has just recently been established, there is presently no formal process for independent review of directors’ performance.

**Principle 8. Promote a culture that is based on ethical values and behaviours.**

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximising shareholder value.

The executive team engenders open and positive interactions with a key focus on innovation, creative solutions and collective responsibility. These cultures are fostered throughout the business.

The Company’s policies set out its zero-tolerance approach towards any form of modern slavery, discrimination or unethical behaviour relating to bribery, corruption or business conduct.

**Principle 9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.**

Whilst the Board is collectively responsible for defining corporate governance arrangements, the Chairman is ultimately responsible for corporate governance. The governance structures within the Company have been assessed by the Board and are considered appropriate for the size, complexity and risk profile of the Company. This will be reviewed by the Board to ensure governance arrangements continue to be appropriate as the Company changes over time.

The Board is expected to typically meet bi-monthly to set the overall direction and strategy for the Group and to review operational and financial performance. The Board and its Committees will receive appropriate and timely information prior to each meeting; and a formal agenda will be produced for each meeting, and Board and committee papers are distributed several days before meetings take place. Any director may challenge Company proposals and decisions are taken democratically after discussion. Any director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company’s management. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

There is a formal schedule of matters reserved for the decision of the Board that covers the key areas of the Company’s affairs. The schedule includes:

- Determining the Company’s overall strategy and direction;
- Establishing and maintaining controls, audit processes and risk management policies to ensure they counter identified risks and that the Company operates efficiently;
- Ensuring effective corporate governance;
- Approving budgets and reviewing performance relative to those budgets;
- Approving financial statements;
- Approving material agreements and non-recurring projects;
- Approving senior and Board appointments.

Each member of the Board has clearly defined roles and responsibilities. The role of the Chairman is to lead the Board, with responsibility for overall corporate governance, and to ensure it is operating effectively in approving and monitoring the strategic direction of the Company. The role of the Chief Executive is to propose strategic direction to the Board and to execute the

approved strategy by leading the executive team in managing the Company’s business. The role of the Non-Executive Directors is to act as a sounding board for the Chairman and a source of reciprocal feedback for other members of the Board and shareholders, where required. The Board is supported by an Audit Committee and Remuneration Committee, further details of which are set out on the Company’s website. At present, the Company does not produce formal Audit Committee or Remuneration Committee reports for the purposes of the its annual report, given the size and scale of the Company’s current operations. The Board however continually review this position and at such time as it is deemed appropriate to do so, will include formal Audit and Remuneration Committee reports in the Company’s annual report.

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

The Company is committed to open communications with all its shareholders. Communication will be primarily through the Company’s website, the annual report and accounts, Regulatory announcements, the AGM and one-to-one meetings with large existing or potential new shareholders. All shareholders will receive a copy of the annual report and an interim report at the half year is available on the Company’s website.

Future Annual Reports will include Audit and Remuneration Committee reports. Until the Company’s first Annual Report is released, this is an area where the company is not fully compliant with the QCA’s principles of corporate governance.