

# Statement of current compliance with the QCA Corporate Governance Code

## Principle 1.

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

The acquisition of TradeFlow and the launch of our White-label offering are clear progress against our stated goals to grow through a combination of organic expansion and acquisitions. We have also significantly expanded our geographic footprint, deepening our presence in the UK and Middle East and making significant inroads in the US.

## Principle 2.

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

The Group continually seeks to improve its engagement with its shareholders. Key initiatives include the launch of a dedicated investor relations inbox, monitored continuously, to allow, wherever possible, for shareholders to be furnished with non-market sensitive information and to receive responses to enquiries in a timely manner. This is an evolutionary process and Supply@ME will continue to augment its investor relations function to provide more insights into the Company through regular engagement and discourse.

## 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. Details of how the board have engaged with our wider stakeholder group, including our people, shareholders, corporate clients inventory funders and fund investors can be found as part of the engagement with stakeholders and section 172.

## Principle 4.

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

The Board has established a risk management process for identifying, assessing and mitigating the principal risks and uncertainties facing the Group. The Group's risk position is considered by the Board on a quarterly basis, with ad hoc reviews conducted as required. The Board is responsible for establishing and maintaining the Group'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 Group 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 Group 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 Group's auditors are encouraged to raise comments on internal control in their management letter following their audit, and the points raised and actions arising are monitored through to completion by the Audit Committee.

## Principle 5.

### Maintaining the Board as a well-functioning, balanced team led by the Chair.

As detailed above there have been a number of Board membership changes during 2021. The Board currently consists of three Executive Directors, Alessandro Zamboni, CEO and the two founders of TradeFlow, John Collis and Tom James and two Independent Non-Executive Directors, David Bull and Enrico Camerinelli. The Board are aware that at this time its composition is not compliant with the QCA code. This is however a short term situation, which will be resolved once the recruitment for a new Chair and Non-Executive Directors have been finalised. In the interim one of the Non-Executive Directors chairs each board meeting. The biographical details of the Board members can be found in this Annual Report on pages 51 to 52, as well as on the Company's Website.

The Board typically meets 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 can be found in each of the Committee Reports within this Annual Report on pages 60 to 95, as well as on the Company's website.

One element of the role of the Independent Non Executive Directors is to be available to shareholders who wish to raise any concerns that they have been unable to resolve through other channels and to attend meetings between management and major investors.

## Principle 6.

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

As outlined above there have been a number of changes to the board during 2021. Whilst recruiting for a new Chair and Independent Non-Executive board members a huge amount of consideration has been given to the knowledge, skills and experience required for optimum delivery of the strategic plan. Ensuring a balance of broad

Corporate Governance knowledge with specific skills set including Regulations, Trade Finance, FinTech Sector knowledge and Investor Relations and Business Development experience has been crucial. In addition to the appropriate balance of personal qualities and capabilities for our innovative global business. The board changes during 2021 are testament to the fact the structure, size and composition of the Board based upon the skills, knowledge and experience required is 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 have received training from our company secretaries on Corporate Governance and as well as any new joiners to the board receiving a thorough induction into the business. The board also has regular updates from and access to the management team. All directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

During 2021 an exercise was completed to enhance the Corporate Governance and Company Secretarial Support available to the board. Prism was appointed to attend and minute Board meetings and advise on Corporate Governance in addition to the support of MSP Secretaries. Recruitment has also commenced for an inhouse Company Secretary to support the Board's work.

Biographies for each of the directors, including details on their experience and skills, are set out on the Company's website and in the Directors' Report section of this Annual Report.

## 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. A formal board evaluation was conducted in December 2021 by the company secretaries and reported on to the Chair. This Evaluation looked at the process that underpins board effectiveness, board and committee constitution and commitment, Board dynamics and culture, stakeholder oversight and strategy. As a result of this evaluation a greater amount of structure around board processes is being introduced to reflect the evolution and increased size of the board. Changes have also been made to the committee composition, which are outlined in the individual committee reports. This evaluation will be conducted annually.

Board and Leadership Team Succession planning is a matter considered by the Nomination committee.



During 2021 the risk and the impact of key members of the team taking the decision to leave the Group was assessed. How these risks would be mitigated was considered and plans put into place. This evaluation will take place at least annually.

## 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 maximise shareholder value.

The Executive team engenders open and positive interactions with a key focus on innovation, collaboration, delivery and a global mindset. This culture is encouraged throughout the business, with people management practices aligned to support. Supply@ME is operating in a new business area and the ability to innovate will be essential to the Group's success. Collaboration and ensuring each member of the team's views and opinions are heard will lead to a better product and outcome for all the Group's stakeholders. Understanding the global perspective on each decision and having an understanding of global nuances will lead to a greater long-term reach of the Group. Most of all the Group wants to deliver for all its stakeholders and this is central to the culture which is being created.

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.

The board endeavours to ensure governance structures within the Company are appropriate for the size, complexity and risk profile of the Company. This is regularly reviewed by the Board to ensure governance arrangements continue to be appropriate as the Company changes over time. During 2021 and the start of 2022 the board has been working towards ensuring it has the right board team in place to deliver the strategic plan.

The Board typically meet monthly to set the overall direction and strategy for the Group and to review operational and financial performance. The Board and its Committees receive appropriate and timely information prior to each meeting; and a formal agenda is produced for each meeting, and Board and committee papers are distributed 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 Chair is responsible for the leadership of the Board, ensuring its effectiveness and high standards of corporate governance, approving and monitoring strategic direction, and allowing stakeholder views to be incorporated as part of the Board's decision making. The Chair's role is also to build collaborative relationships, and promote debate and openness so as to ensure the effective contribution by all Directors and Non-Executive Directors.

The Chief Executive Officer ("CEO") is responsible for the day-to-day operation and running of the business of the Group, supported by the management team. The CEO also leads the development and implementation of the approved strategy and business plan, ensuring decisions of the Board are implemented, maintain effective working relationships with the Chair and NEDs, whilst providing leadership in the Company's commitment to its purpose, high business standards, culture and core values, and communication with key stakeholders.

The Non-Executive Director role is to bring external perspective, constructive challenge, independent judgement and objectivity to the Board's decision making and discussion. They act as a sounding board for the Chairman and a source of reciprocal feedback for other members of the Board and

shareholders. The Non-Executive Directors bring a range of skills, expertise and knowledge to the Board, and constructively challenge the Executive management of the Company. The Non-Executive Directors are responsible for a range of activities, including monitoring the performance of the executive management, determining appropriate levels of remuneration, ensuring financial controls and risk management systems are robust, as well as challenging and supporting Executive Management in the development of the strategy and objectives of the Company.

An Executive Director is an employee of the Group who sits on the board of directors but also performs management duties within the business of the company. They oversee and manage day to day activities within their own area of the business, whilst supporting the CEO, and are tasked with the objective of implementing the strategy, whilst upholding the Company's values and culture. The Executive Directors performance is reviewed and scrutinized by the Non-Executive Directors.

The Board is supported by an Audit Committee, Remuneration Committee and Nomination Committee. Further details of the responsibilities of each of these are outlined in their respective reports.

## 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.

Detail of the corporate governance frameworks provided by the Audit Committee, Remuneration Committee and Nomination Committee can be found in their respective reports and their terms of reference are available on the company website.

