



Corporate Governance

Statement of Compliance with the Quoted Companies Alliance Corporate Governance Code 2018

The Directors of TruFin plc (the “Company”) acknowledge the importance of high standards of corporate governance and intend, given the Company’s size and the constitution of the Board, to comply with the principles set out in the QCA Corporate Governance Code for Small and Mid-Size quoted companies 2018 (the “QCA Code”). The QCA Code sets out a standard of minimum best practice for small and mid-size quoted companies, particularly Alternative Investment Market (“AIM”) companies and this report sets out in broad terms how we comply at this point in time.

Where certain Principles have not been addressed in full detail within this document, please refer to the Company’s 2017 Annual Report and Accounts which can be found on the website: www.TruFin.com.

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

The Company’s strategy is to operate and create a stable of niche lenders and early payment providers with a primary focus on Europe. The Company combines the benefits of both the traditional relationship banking model and developments in the fintech sector.

The Company’s key objective is to deliver a roadmap of ambition and a demonstrable record of execution to its shareholders. The Company’s focus is ensuring that its existing subsidiaries (that together with the Company make up the “TruFin Group”) deliver on their business plans.

Also see Goals and Objectives in the 2017 Annual Report and Accounts.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board values the views of its shareholders and recognises their interest in our strategy and performance.

The Annual General Meeting (“AGM”) is the main method of communication with the shareholders. At the AGM, the Chief Executive Officer presents on the TruFin Group’s progress. The Chairs of each Board committee, together with all other Directors, are available to answer any relevant questions raised by the shareholders.

For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are announced through the Regulatory News Service (“RNS”) and subsequently published on the Company’s website.

The Chief Executive Officer makes formal presentations to the Company's institutional shareholders and analysts each year following the release of the full-year and half-year results. The Board is kept informed of the views and concerns of shareholders by briefings from the Chief Executive Officer. Any significant Investment Reports from analysts are also circulated to the Board.

Existing and potential shareholders can get in touch with the Company at:

investorrelations@TruFin.com

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

The Company is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups. In addition to the shareholders, these include the Company's employees, directors, regulatory authorities and all those of the subsidiaries. The Company's operations take account of the need to balance the needs of all of these stakeholder groups while maintaining focus on the Board's primary responsibility, to promote the success of the Company. The Company endeavours to understand and act on the needs and requirements of each of these stakeholder groups where appropriate and in line with the Company's long term goals.

With regards to corporate social responsibility, the Company takes due account of any impact that its activities may have on the environment and seeks to minimise this impact wherever possible. The Company ensures full compliance with the health and safety legislation relevant to its activities.

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

The Board has overall responsibility for ensuring that risk is appropriately managed across the TruFin Group. As well as external reviews and audits from the TruFin Group's statutory auditors, the TruFin Group has internal checks and policies. Initial responsibility rests with the management team of each business for identifying and managing risks arising in their business areas. This is augmented by the TruFin Group's compliance and finance function with responsibility for reporting to the Board.

The TruFin Group manages such risks, among other things, with robust systems and processes, guidelines and policies which are forward-looking, clearly articulated, documented and communicated throughout the businesses and which enable the accurate identification and control of potential areas of risk.

More information can be found in the Group Strategic Report in the 2017 Annual Report and Accounts.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

Independence

The Board currently consists of four independent Non-Executive Directors and three Executive Directors.

The contracts of the Non-Executive Directors are available for inspection at all AGMs.

Commitment

The Board is satisfied that each of the Directors are able to allocate sufficient time to the Company to discharge their responsibilities effectively.

Attendance

Each calendar year, five Board meetings are scheduled with the expectation of each Director being present, in person or by telephone.

Two audit committee meetings and at least one remuneration and nomination committee meetings are scheduled each year. Full attendance is expected from each of the committee's members, in person or by telephone.

Principle 6: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, the Board has an appropriate balance of skills and experience to perform its oversight function effectively.

Each Director takes responsibility for maintaining their skill set, which includes roles and experience with other boards as well as formal training and seminars.

Biographies of each Director can be found on the Company's website.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

An evaluation of the Board's own performance, that of its Committees and individual Directors is undertaken by the Board on an annual basis. This review assesses the effectiveness of all aspects of the Board, its Committees and individual Directors and includes composition, experience, dynamics, contribution, commitment, independence, the Chairman's leadership and the Board's role and responsibilities in connection with the strategy, oversight of risk and succession planning.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board sets the Company's values and standards and seeks to maintain the highest level of integrity and probity in the conduct of its operations. These values are outlined in the written policies and working practices adopted by all employees. The Executive Committee regularly monitors the Company's cultural environment and seeks to address any concerns that may arise, escalating these to Board level where necessary.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board

The Board considers the most important management and policy matters, approves business strategy and is responsible for the long-term success of the Company. The Company maintains a formal schedule of matters reserved for the Board and a Delegated Authority Matrix.

The Company ensures that the Board has a clear line of sight to the business where appropriate. All Directors receive regular and timely information on the Company's operational and financial performance and all relevant information is circulated in advance of meetings.

The Chairman, Henry Kenner, also fulfils the role of the Chief Executive Officer and consequently is responsible for running the Company's day-to-day business. This does not comply with the QCA Code, but the Directors believe it is in the best interests of the Company and its shareholders for Henry to carry out both of these roles.

Board Committees

The Board is supported by the Audit, Remuneration and Nomination Committees. Each committee has access to resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties effectively.

The terms of reference for each committee is available on the Company's website.

Executive Committee

The Executive Committee is responsible for developing a strategy for submission to the Board, the day to day management of the Company's business, overall operational and financial performance and oversight of the TruFin Group.

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

The Company communicates with its shareholders through its Annual and Interim Reports and Accounts, at the AGM and formal meetings with existing or potential new shareholders. A range of corporate information, including all the Company's market announcements, is also available to shareholders and the public on its website.

Last updated 28th September 2018.