

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT 2024

Overview

As Chairman of the Board of Directors of Equals Group plc ("**Equals**", "**we**", "**the Company**", "**the Board**", or "**the Group**", as the context requires) it is my responsibility to ensure that Equals has sound corporate governance and an effective Board. This responsibility includes leading the Board and overseeing the Group's corporate governance. Good and timely information flows between executive and non-executive directors with interactions that are both supportive and challenging are essential to this.

The goals we pursue are: to create value for shareholders and customers; to monitor and improve our environmental and societal impacts; and to adhere to good corporate governance.

Governance Code and Compliance

Equals has adopted the Quoted Companies Alliance Corporate Governance Code ("**QCA Code**", "**Code**") in line with the London Stock Exchange's AIM Rules. This statement follows the ten-point structure of the 2018 QCA Code and describes how we have applied it. The Group provides updates not less than annually.

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 Group. Where the Group may not fully apply a principle or general provision, the Board still uses the Code as a benchmark in assessing corporate governance standards. Where the Group does not fully comply, it gives reasons for this. Details are given below and in the corporate governance report in the Group's latest Annual Report.

Equals practices a culture that is customer-driven and socially and environmentally responsible. This is manifested in internal values and policies and supplier and shareholder engagement. Equals believes that application of the QCA Code supports the Group's medium to long-term success whilst simultaneously managing risks and providing an underlying framework of commitment and transparent communications with stakeholders.

The Group's Investor Relations website (equalsplc.com) contains all documents required by AIM rule 26, notably:

- The Articles and Memorandum of Association
- Admission document
- Financial statements and annual reports
- Governance statements
- Details of directors and advisors.

Alan Hughes

Chairman of Equals Group Plc

May 2024

Equals' application of the QCA Code:

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

The Group's ambition is to become a leading technology-led, independent, payments provider of choice for SMEs and the professionally prosperous.

The three elements to the Equals Group strategy are to:

1. Grow our revenues and profits through acquiring more corporate and retail customers and by delivering more products to them;
2. Make accretive bolt-on acquisitions; and
3. Vertical integration through the supply chain to participate in the wider payments sector, allowing us to offer and faster and less friction in the payments and fx businesses.

The Board has concluded that the highest medium and long-term value can be delivered to shareholders and customers through easy-to-use service, functional innovation and business efficiency. Technological innovation is pursued for better value and ease of use in the form of an enduring, scalable platform for our services and by improving distribution capabilities. Equals has created a payments platform comprising international and domestic payments, card payments and current account services underpinned by exceptional technology and direct connections to multiple payment networks. This will enable Equals to increase its Total Addressable Market and grow revenues and profits accordingly.

Equals continues to grow organically and through acquisition, where we believe it is accretive for shareholders and supportive of our strategy, to provide scale, acquire complementary functionality and to broaden access to overseas markets. To this end, the Group acquired an open-banking platform, Roqqett Limited, on 6 January 2023, an SME focused international payments business (Hamer & Hamer) in April 2023, and Oonex S.A., a Belgian incorporated and regulated business on 4 July 2023, accelerating our expansion into Europe.

To help ensure the Company provided value to shareholders, the plan to restructure the Company's capital base to create distributable reserves was completed in 2023. This led to the declaration of a maiden interim dividend of 1/2p per share in November 2023, paid in December 2023. At the AGM in May 2024, the directors will propose a final dividend of 1p per share.

Challenges to delivering the strategy, together with steps the Board takes to protect the Group and mitigate risks, thus helping to securing a long-term future for the Group, are detailed within the Report of the Risk Committee in our Annual Report. This includes investment into finance, operations, compliance, and risk functions.

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

Equals seeks constructive relationships with investors and potential investors so it can understand the views of shareholders and they can know the Group's goals and ambitions. Equals seeks to provide effective communication through its interim and Annual Reports along with Regulatory News Service ("**RNS**") announcements, all of which can be found on the corporate website, equalsplc.com.

Equals is committed to maintaining a healthy dialogue between the Board and all its shareholders to enable them to come to informed decisions about the Group. The Chair, CEO and CFO act as a liaison for shareholders throughout the year and especially during the Annual and Interim Results cycles. The CEO and CFO invite investors to attend presentations and meetings, imparting information about the Group whilst listening to shareholder feedback and reporting back to the Board.

The Group's Annual General Meeting ("**AGM**") presents shareholders with an additional opportunity to communicate with the Board, to which Equals proactively encourages investors to attend and participate. The AGM is attended by the Board and is open to all the Group's shareholders. The results of voting at AGMs are disclosed on the Group's investor relations website. The 2021, 2022 and 2023 AGM resolutions were passed comfortably. The Group seeks to understand the motivation behind shareholder voting decisions. The Group receives ISS reports and provides feedback to this end.

The Group is open to receiving feedback from stakeholders and will act upon this where appropriate. The Group's corporate website is formally reviewed each month by the CFO and updated where required.

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

The Board recognises that the long-term success of the Group is reliant upon the effective engagement with its employees, suppliers, consumers and society. The Board has put in place processes and systems to ensure that there is close oversight and contact with its key resources and relationships. The Group prepares an annual plan and detailed budget within its business plan.

The Group's employees are one of its greatest assets and their interests are prioritised through training and development, fair pay and benefits and reward and recognition. Part of the People Operations unit's remit is to ensure Equals has a working environment that is welcoming and inclusive. When we look at succession, recruitment and promotions we do conduct an EDI review to check that we have not applied any bias outside of a focus on rewarding performance.

As Equals has grown it has put in place more formal processes, including the fortnightly 'All Hands' meetings for all staff, together with an open question forum to executives. The Group promotes a non-hierarchical structure where directors engage directly with employees, enabling them to actively contribute to our long-term success.

The Board keeps these areas under review along with other indicators of overall organisation health such as staff turnover and the equity of rewards and benefits. Through investing in our people, we have seen a low level of staff turnover amongst key employees.

Group companies keep in regular contact with key customers and suppliers to maintain and foster good relationships. Equals undertakes regular reviews of payments and performance with its suppliers and proactively monitors its customer satisfaction through its Trust Pilot and Net Promoter scores.

By offering businesses and persons better payments and FX services, under a transparent pricing model, the Group seeks to facilitate international trade and collaboration that is of benefit to the wider UK economy, customers concerned and other stakeholders. Equals considers environmental impact in its activities and resources. It supports employees in community work.

The Group considers requests for community or charitable donations carefully and fully discloses any that have been made in the Group's Annual Report.

The Group is conscious of its environmental impact. Equals is paperless and our technology platform helps customers to reduce our carbon footprint, be more efficient and do more business across borders with fewer resources. The Board is committed to good ESG (Environmental, Social and Governance) practices. Our Annual Report describes this in further detail.

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

Payments services are regulated by the FCA and HMRC, with additional legislation/regulations, including: Clients Assets Sourcebook rules; anti-money laundering provisions; anti-corruption provisions; and GDPR. Equals monitors and complies with all relevant regulations and laws. Internal control mechanisms for these, to prevent fraud, protect client money and their data are integrated into all Group companies' operations.

This is overseen by the boards of the operating subsidiaries where the various regulatory permissions are held. The whole is overseen by the Group Board through its Audit and Risk Committees, which are both chaired by an independent non-executive director and comprise only independent non-executive directors; executive directors attend by invitation.

The Group operates risk management processes in its operating subsidiaries and oversees these at Group Board. As the Group has continued to expand and grow, we have invested in compliance and risk management to identify and manage our risks appropriately within defined risk appetites. We have appointed a Group Head of Risk and Compliance who has restructured our risk and compliance framework and risks in the individual regulated subsidiaries are now overseen by their respective Risk Committees, with oversight provided by the Executive Risk Committee [TBC] and the Group Risk Committee on behalf of the Group Board.

The Audit Committee of the Group Board is responsible for assessing and monitoring the Group's financial risks and reviewing the Group's financial controls. The Audit Committee has delegated responsibility from the Board to ensure that the Group's management has designed and implemented an effective system of internal financial controls throughout the operating subsidiaries and to review and report on the integrity of the consolidated financial statements of the Group

and related financial information. The Audit Committee maintains effective working relationships with the Board, management, and external auditors, and monitors the independence and effectiveness of the auditors and the external audit.

In addition, the Group has a Security Council, Architecture Council and Technical Risk Committee, which oversee, among other matters, the security design and risk associated with our systems. These are all accountable to the Group Board.

The Group's most recent risk assessment matrix is set out in our latest Annual Report and categorises key risks, as well as outlining the mitigating actions that are in place. This matrix is updated as changes arise in the risks and the mitigating actions implemented, and the Board reviews risks regularly.

The Group has defined its appetite for the inherent and residual operational, compliance and legal risks that it is prepared to accept as a high-growth AIM entity. It has designed its mitigating controls to manage the residual risks to ensure they remain within its risk appetite. The Group has embedded first and second line controls overseen by a Risk and Compliance function and is subject to external audit.

Given its size, the Group has so far not considered it necessary to have a permanent Internal Audit function in addition to this. Internal audits are commissioned from external parties as necessary and appropriate. The need to have a permanent internal audit function is considered annually, considering the scale and range of activities undertaken by the Group.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

The Board of Equals Group plc comprises; CEO Ian Strafford-Taylor, CFO Richard Cooper, and three independent non-executives; Alan Hughes the Chairman, Sian Herbert, and Chris Bones. Equals considers all its non-executive directors to be independent in character and judgement.

Meetings of the Group and subsidiary Boards are open and constructive, with every director expected to participate fully. Senior management are invited to meetings from time-to-time to provide the Group Board with details of their activities. The Board aims to meet at least six times in the year and a calendar of meetings and principal matters to be discussed is agreed at the beginning of each year. Directors meet formally and informally both in-person and by telephone. Board and Committee document authors are made aware of proposed monthly deadlines through the calendar of meetings assembled at the beginning of the year. Board and Committee papers, including agendas, minutes, actions and financials, are combined into one document and circulated in soft copy, where possible, in advance, allowing time for full consideration and necessary clarifications before the meetings.

The Group Board has delegated authority to four committees: Audit, Risk, Remuneration, and Nomination. These Committees are made up of appropriate directors and chaired by experienced Committee members possessing the necessary skills and knowledge to discharge their duties effectively.

The attendance record of each relevant director at Board and Committee meetings during the financial year is disclosed in the latest Annual Report. The non-executive directors are each expected to dedicate approximately 30 days per annum and otherwise such time as required.

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

All directors are reminded periodically of their obligations to notify the Company of any changes in their statement of interests and to declare any benefits received from third parties (if any) in their capacity as a director of the Group.

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

The Group believes that the current balance of skills in the Board reflects a broad range of commercial, professional and technical skills, enabling them to provide the necessary guidance, oversight and advice for the Group to operate effectively. The non-executive directors have broad sector knowledge, from accounting and digital, retail and banking payments, whilst the executive directors have extensive experience in the finance industry. The range of skills in this group is considered by the board to be appropriate for the Group's situation and business strategy.

Biographical details of the directors can be found on the investor relations website of the Group. Each director is required to retire if they had been appointed after the prior AGM (article 67.1a) and, thereafter every three years at the Group's AGM. They may offer themselves for re-election.

All directors are expected to keep their skill-set up-to-date, and the Company provides opportunities for Board members to access development opportunities. The Board reviews annually the appropriateness of or need for continuing professional development. The Nomination Committee, on behalf of the Board, is responsible for reviewing the composition of the Board and Board committees and making any recommendations as to future skills and capabilities amongst the Board's membership that would help the Board to deliver its current and future strategic and operational responsibilities. for future nominations, including diversity.

The Company Secretary for the Group is responsible for ensuring that Board procedures are followed and that the Group complies with all applicable rules, regulations and obligations governing its operation, as well as helping the Chairman maintain excellent standards of corporate governance. The Company Secretary, ONE Advisory Limited, also provides support with MAR compliance.

If required, the directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

The non-executive directors maintain ongoing communications with executives between formal Board meetings. In addition to their general Board responsibilities, non-executive directors are encouraged to be involved in specific workshops or meetings, in line with their areas of expertise.

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

The Company believes that an effective board is one which delivers financial value for its shareholders along with other values and integrity for other stakeholders – customers, suppliers, communities, and colleagues. In 2023, the Board took forward the outcomes of the formal annual Board evaluation process undertaken in 2022, with a view to ensuring continued improvements in all aspects of the Board's operations.

The areas covered in the evaluation were: Board relationships, Board Skills & Governance, Board Processes Committees of the Board, and Priorities for Change. The Chairman also meets at least once annually with each of the non-executive directors to discuss each director's contributions to Board meetings. The Board intends to continue its approach toward periodic board evaluation in 2024 and beyond.

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

The Group Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact performance. The Board is aware that the tone and culture set by the Board will impact all aspects of the Group as a whole and the way that employees and managers behave towards customers and each other. The practice of a collaborative, constructive, challenging but supportive culture is critical for a service business such as Equals. The corporate governance arrangements that the Board has adopted are designed to ensure that the Group delivers such a culture and its long-term goals to shareholders, customers and society.

The Group's activities depend upon a constructive, open and respectful dialogue between managers, employees, customers, suppliers and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its goals. The directors consider that at present the Group has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group board is acutely conscious of the importance of this for its success.

Our group-wide values are summarised as:

- Make it happen;
- Succeed together;
- Be the customer; and
- Go beyond.

The values are in line with the Group's business pillars and brand and are to help guide all behaviours in all Group companies and to ensure that good internal relationships are maintained. The Group believes such values are important when it comes to creating a strong and consistent internal culture, as well as being essential to driving Equals' overall success as a business. Effectiveness is informed by the results of Group-wide surveys.

The Board has embedded these values further by the adoption of a code of conduct policy, which applies to all employees, agents and third parties, which was approved by the Board in 2023.

The Group Whistleblowing Policy encourages staff to raise concerns about actions, behaviour or activity that are not aligned with these values and, along with our anti-bribery procedures and policies, this is monitored for effectiveness.

Equals has adopted a share dealing code for directors and applicable employees of the Group to ensure compliance by such persons with the provisions of the AIM Rules and Market Abuse Regulation relating to dealings in the Company's securities (including dealing during close periods in accordance with Rule 21 of the AIM Rules).

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

The Board is committed to high standards of corporate governance and has chosen to adopt the QCA Code. The Board is responsible for the overall management of the Group including the formulation, approval and implementation of the Group's long-term objectives and strategy, the approval of budgets, the oversight of the Group's operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies, and plans. The Board reviews the Group's corporate governance arrangements and reporting structures regularly and expects these to evolve, in line with the Group's growth. The Board delegates responsibilities to Committees and individuals as it sees fit.

The Chairman's principal responsibilities are to ensure that the Group and its Board are acting in the best interests of shareholders, customers and wider society in a sustainable way. The leadership of the Board is undertaken in a manner which ensures that the Board retains integrity, effectiveness and includes creating the right Board dynamic to ensure that important matters, in particular strategic decisions, receive adequate time and attention. The Chairman is also the main point of contact for shareholders and key stakeholder liaison, although the executives meet shareholders regularly throughout the year.

The CEO has, through powers delegated by the Board, the responsibility for leadership of the management team in the execution of the Group's strategies and policies and the day-to-day management of the business. The CEO is responsible for developing corporate and ESG strategies.

The independent non-executive directors are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust. Whilst the Board may delegate specific responsibilities, there is a schedule of matters specifically reserved for decision by the Board, including: material business contracts; major corporate transactions and investments; group strategy; approval of budgets; and approval of Interim and Annual Reports.

As already mentioned, the Board delegates authority to four Board Committees to assist in meeting its business objectives whilst ensuring a sound system of internal control and risk management. The Committees meet separately from Board meetings.

Audit Committee

The Audit Committee is responsible for monitoring the integrity of the Group's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Group's internal control and risk management systems and ensuring that processes are put in place to manage risk inherent in the business. It oversees the relationship with the external auditor including advising on their appointment, agreeing to the scope of the audit, reviewing the audit findings and setting the auditor fees. The Audit Committee meets regularly with the Group's external auditor. The Audit Committee meets at least 2 times a year at appropriate times in the reporting and audit cycle and otherwise as required. The Audit comprises only independent non-executive directors: Sian Herbert (Chair); and Chris Bones.

Risk Committee

The Risk Committee is responsible for maintaining the Group's risk register and evaluating the risks included in it. The Risk Committee meets at least four times per year and otherwise as required. The Risk Committee comprises only independent non-executive directors: Sian Herbert (Chair); Alan Hughes; and Chris Bones.

Remuneration Committee

The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Chairman, the executive directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. Each committee member brings professional and practical knowledge and experience which is relevant to the Group's business. The remuneration of non-executive directors is a matter for the Board. No director is involved in any decision as to his or her remuneration. The Remuneration Committee comprises only independent non-executive directors: Chris Bones (Chair); Alan Hughes; and Sian Herbert. The Remuneration Committee meets at least twice a year and otherwise as required.

Nomination Committee

The Nomination Committee monitors the size and composition of the Board of directors and the other Committees and is responsible for identifying suitable candidates to join the Board. Succession planning is a key responsibility of the Nomination Committee.

The Nomination Committee comprises of the three independent directors, Alan Hughes (Chair), Sian Herbert and Chris Bones, and the CEO Ian Stafford-Taylor. The Nomination Committee meets at least once a year and otherwise as required.

The Chair and the Board continue to monitor and evolve Equals' corporate governance structures and processes and maintain that these will evolve in line with the Group's growth and development.

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

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders and other relevant stakeholders. The Group intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations) and for them to have the opportunity to discuss issues and provide feedback at meetings with the Group. All shareholders are encouraged to attend the Company's AGM.

The Board maintains that, if there is a resolution passed at an AGM or General Meeting with 20% votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action. The votes for and against each resolution are released via RNS following each General Meeting.

All resolutions at the Company's 2023 AGM were passed with over 95% of votes in favour of each resolution. The proxy votes received in respect of all resolutions were released via RNS and are available on the Company's website.

The latest corporate documents (including Annual Reports) can be found on the Company's website. This website is formally reviewed each month and kept updated as required.

The Company issues notices to AIM via both RNS and RNS Reach. The Company's website has an investor alert link (equalsplc.com/content/investors/alert), which allows signed-up participants to receive all news from the RNS feed.