

CORPORATE GOVERNANCE REPORT

As a company that will be admitted to trading to AIM, Smarttech247 Group plc (“Smarttech247”, the “Company” or the “Group”) is not required to comply with a particular corporate governance code. However, it is required to provide details of the corporate governance code it has decided to apply and state how it will comply with that code.

The Directors support high standards of corporate governance and have decided to comply with the QCA Code as set out below:

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

The Group’s business model and strategy is set out in its Admission Document. The Board will hold at least one session each year dedicated to strategy, which will include input from senior members of the executive management team and any necessary external advisers. A strategic report reflecting the outcome of such sessions will be included in the Company’s annual report and accounts. The principal risks facing the Group are set out in its Admission Document. The Board will identify and deploy mitigation steps to manage these risks and confront day-to-day challenges of the business post-Admission. See in addition, Principle 4 below.

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

The Board is committed to open and ongoing engagement with the Group’s Shareholders. The Board will communicate with Shareholders through:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate);
- annual general meetings; and
- the Company’s investor relations website (in particular, the “RNS News” and “AIM Rule 26” pages).

The Finance Director will be the primary contact for Shareholders and there will be a dedicated e-mail address for shareholder questions and comments.

Regular meetings will be held between the Chief Executive Officer, Finance Director and institutional investors and analysts to ensure that the Group’s strategy, financials and business developments are communicated effectively.

The Board intends to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

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

The Group takes its corporate social responsibilities seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including employees, existing and new direct customers, Introducers, other intermediaries and professional advisers that it collaborates with as part of its business strategy, in order to achieve long-term success.

The Executive Directors will maintain an ongoing dialogue with stakeholders to inform strategy and the day-to-day running of the business.

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

The principal risks facing the Group and the industry in which it operates are set out in the Admission Document. These risks will be reviewed at least once a year and included in the annual report and accounts.

The Group will operate a risk framework including a risk register that is managed by the Finance Director. The risk register is intended to be signed off annually by the Board and included in the annual report and accounts. The Chief Executive Officer and the Audit Committee intend to review the risk register regularly throughout the year.

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

The Board comprises five directors:

- Sarah Cope and Michael Connolly as Non-Executive Directors;
- Ronan Murphy as Executive Chairman, Raluca Saceanu as Chief Executive and Nicholas Lee as Finance Director.

Sarah Cope and Michael Connolly are considered by the Board to be independent Non-Executive Directors and were appointed with the objective of bringing experience and independent judgement to the Board.

The Board has been constructed to ensure that it has the right balance of skills, experience, independence and knowledge of the business.

The Board is also supported by the Audit Committee and Remuneration Committee.

The Board will meet regularly and at least 10 times a year. Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary for him/her to discharge his/her duties.

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

The skills and experience of the Directors are summarised in their biographies set out in the Admission Document and on the Company's website.

The Directors believe that the Board has the appropriate balance of diverse skills and experience in order to deliver on its core objectives.

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

The Chairman is responsible for ensuring an effective Board. The Group intends to establish a formal process for evaluating the performance of the Board, the committees, and the individual Directors against its objectives to ensure that members of the Board provide a relevant and effective contribution.

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

The Group will promote a culture of integrity, honesty, trust and respect and all employees of the Group are expected to operate in an ethical manner in all of their internal and external dealings.

The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees.

The Board takes responsibility for the promotion of ethical values and behaviours throughout the Group, and for ensuring that such values and behaviours guide the objectives and strategy of the Group.

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

The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Finance Director is the primary contact for the Company's Shareholders and responsible for ensuring that the link between the Board and the shareholders is strong and efficient. The Executive Directors are responsible for the operation of the business and delivering the strategic goals agreed by the Board.

The Board has adopted Terms of Reference, which have a clear and specific schedule of matters reserved for the Board, including corporate governance, strategy, major investments, financial reporting and internal controls.

The Board is supported by the Audit Committee and Remuneration Committee. From time to time, separate committees may be set up by the Board in order to consider and address specific issues, as and when they arise.

The Board intends to review the governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

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

The Group intends to use the following principal methods of communication with its Shareholders:

- the annual report and accounts;
- the interim and full-year results announcements;
- trading updates (where required or appropriate);
- annual general meetings; and
- the Company's investor relations website (in particular, the "RNS News" and "AIM Rule 26" pages).

The Group's website is updated on a regular basis with information regarding the Group's activities and performance. The Group's reports, presentations, notices of annual general meetings, and results of voting at shareholder meetings will also be made available on the website.

Board Committees

Audit Committee

The Audit Committee is chaired by Sarah Cope and its other member is Michael Connolly, both of whom are independent non-executive directors. The Audit Committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. In addition, the Audit Committee receives and reviews reports from management and the auditors relating to the interim

report, the annual report and accounts and the internal control systems of the Group. The Audit Committee will meet at least twice a year and additionally when necessary.

Compliance with the AIM Rules and Market Abuse Regulation will be covered within the Audit Committee.

Remuneration Committee

The Remuneration committee is chaired by Michael Connolly and its other member is Sarah Cope, both of whom are independent non-executive directors. The Remuneration Committee will meet at least once each year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group.

At this stage, the Board does not believe that there is a requirement for a separate Nominations Committee and matters relating to nominations will be covered within the Remuneration Committee.