

TechFinancials, Inc.

(“TechFinancials” or “the Company” or “the Group”)

Statement of Compliance with the QCA Corporate Governance Code

Chairman’s Introduction

The Board of TechFinancials has based its corporate governance principles on fundamental core values to build and maintain strong relationships with all of its stakeholders – shareholders, customers, suppliers, partners and its staff. This means having the right people working together and doing the right things to deliver a sustainable business model capable of delivering growth over the long-term. This is a key responsibility of the Group and it is the Board’s job to ensure that through good decision-making TechFinancials is managed for the long-term benefit of all its stakeholders. Corporate governance is very much part of that job.

The Company takes its responsibilities as a corporate citizen seriously. The Board’s primary goal is to create shareholder value but in a responsible way which serves all stakeholders.

The Board considers sound governance as a critical component of the Group’s success and has made it one of its highest priorities. The Company has an effective and engaged Board, with a strong non-executive presence from diverse backgrounds and well-functioning governance committees. Through the Group’s compensation policies and variable components of employee remuneration, the Remuneration Committee of the Board seeks to ensure that the Company’s values are reinforced in employee behaviour and that effective risk management is promoted.

Christopher Bell, Independent Non-Executive Chairman

31 December 2019

The Company’s Corporate Governance Position

The Board has always recognised the value of good governance and historically has voluntarily given due regard to the QCA guidelines in adopting its governance procedures, which have been appropriate for a company of the size and nature of TechFinancials.

All AIM companies must now adopt and comply with a recognised governance code and the Board has formally adopted the Quoted Companies Alliance (QCA) Corporate Governance Code. This statement sets out in broad terms how we comply with the QCA Code. Each year we will update this statement to show how we comply with the Code and highlight any changes we have made during the course of a year.

The Board also recognises the importance of complying with the Market Abuse Regulations (“MAR”) which came into force in the UK on 3 July 2016 relating to the disclosure of inside information and disclosure of deals by persons discharging managerial responsibilities (“PDMR”) and persons closely associated (“PCA”). The Company has adopted an appropriate share dealing policy in this regard.

The QCA Code is based on ten principles and this statement summarises how we comply with each of these principles.

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

TechFinancials, Inc is a fintech software provider of financial trading solutions including blockchain-based digital assets and traditional financial trading solutions for retail clients. The Group operates a

B2B division licensing white label trading platform solutions to online brokers. In addition, the Company operates a B2C division operating trading platform incorporating a strategic joint venture focusing on solutions for traders in the Asia Pacific region.

The TechFinancials Group is comprised of highly experienced industry specialists in the fields of online finance, R&D, marketing, blockchain technology, and cryptocurrency, who are dedicated to achieving long-term profitability.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Chief Executive Officer has overall responsibility for setting and developing the Group's business strategy. The Board typically expects to formally meet four times a year to consider a formal schedule of matters including the operating performance of the business and to review the Group's financial plan and business model.

By way of example, the loss of our largest customer in 2017 and the ongoing uncertainty surrounding the regulatory environment adversely affected our core B2B software licensing business, leading to a fall in revenues. These challenges meant that we have had to focus on diversifying our business offering by introducing new products as well as carefully reviewing our cost base. In October 2017, we entered into a loan and option agreement with the shareholders of CEDEX to operate what the Company believes will be the first Blockchain based online exchange for diamonds with a long-term vision to turn the traditional diamond industry into a financial tradable asset. This was followed by the signing of a share purchase agreement in December 2017 for 2 per cent of CEDEX.

The Company's wider strategy is to cease any B2C operation in the EU and to focus only on B2C trading in the Asia Pacific region via its Joint Venture, DragonFinancials.

High-level strategic decisions are discussed and taken by the full Board. Investment decisions (above a de minimis level) are taken by the full Board. Operational decisions are taken by the executive Director within the framework approved in the annual financial plan and within a framework of Board-approved authorisation levels.

The Board regulations define a framework of high-level authorities that maps the structure of delegation below Board level, as well as specifying issues which remain within the Board's preserve.

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

Relations with shareholders

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders by meeting to discuss long term issues and receive feedback, communicating regularly throughout the year and issuing trading updates as appropriate.

Communication with shareholders

The Board attaches great importance to communication with both institutional and private shareholders.

Regular communication is maintained with all shareholders through Company announcements, the half-year Statement and the Annual Report and financial statements.

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders. Institutional shareholders are in contact with the Directors through presentations and meetings to discuss issues and to give feedback regularly throughout the year. With private shareholders this is not always practical.

The Board therefore uses the Company's Annual General Meeting, and other General Meetings, as an opportunity to meet private shareholders who are encouraged to attend, and at which the Chief Executive Officer gives a presentation on the activities of the Group and an opportunity to meet and ask questions of Directors and to discuss development of the business. The Company's executive also

attends conferences, such as the UK Investor Conference, to meet private investors and explain the Company's business model.

The Company operates a website at <https://group.Techfinancials.com>. The website contains details of the Group and its activities; regulatory announcements, Company announcements, Interim Financial Statements, preliminary statements and Annual Reports. The website is maintained in compliance with AIM Rule 26.

The Company has an open dialogue with its shareholders to ensure that shareholders' needs are met and its strategy, objectives, activities and performance are clearly understood.

The close involvement of our shareholders and the wider stakeholder community is paramount in helping us to evolve and to support our strategic aims.

Shareholder relations are managed primarily by the Chairman and Chief Executive with the support of Yellow Jersey PR Limited. The Board is kept informed of shareholder views and concerns through this close dialogue but also through the close involvement of Yellow Jersey and its Nominated Adviser, Grant Thornton UK LLP. When necessary, analyst reports from the Company's Brokers (Northland Capital Partners and Peterhouse Corporate Finance) are reviewed and discussed by the Board.

Each of the Directors is available to meet with shareholders if required to discuss issues of importance or concern. To request any meetings please contact: techfinancials@yellowjerseypr.com

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

We aim for long-term success through investing in technology, acquisition opportunities, relationships with key partners and our people. Our business model involves the identification of key industry and regulatory trends which determines the Group's investment in resources, relationships and the people on which the business relies.

Our stakeholders include shareholders, our staff, joint venture partners and investee companies, customers, suppliers, regulators, and suppliers.

The principal ways in which their feedback is gathered are via one to one meetings and conversations with stakeholders. In addition, the management of the Company maintain a weekly conference call with its JV partner in Asia and meet at least twice a year to discuss business performance and strategies. This has allowed input from each stakeholder and for example, agreeing strategic investments in joint ventures and acquisitions.

In recent years, changes in the regulatory environment and the loss of our largest customer have been a great challenge to the business. We have sought to mitigate the loss of our largest B2B customer by adding to the simplified forex platform, mobile trading solutions and the add-on CFD platform. We have also built on our investment in and partnership with DragonFinancials which operates our B2C trading platform in Asia. We continue the process of shifting focus from Binary Options to Forex and CFD and other new products.

We have continued to invest in R&D to support future growth opportunities. In particular, our collaboration with CEDEX is a strategic development aligned with the Company's long-term vision of utilizing its expertise and considerable experience in the development of online financial trading solutions and technology systems to further expand into new product areas. It is anticipated that CEDEX will provide a novel way to invest in diamonds, aligned with the Company's vision of simplifying trading instruments.

In this connection, the Group has been developing technology to integrate the crypto-payment processing of Bitcoin, BitcoinCash and Ethereum into TechFinancial's core systems which was implemented successfully in Q1 2018 (and licensed to Cedex, our first customer of this product). The Group will continue to apply additional technologies and knowledge and provide services to support the innovative CEDEX project that intends to use blockchain technology to revolutionize the diamond-trading market.

Alongside the development of new opportunities, we have sought to rationalize those activities which are not core to our future business strategy. The regulatory changes which have impacted the binary options sector have led us to actively seek divestment of B.O TradeFinancials (“BOT”) and MarketFinancials (“MF”).

Corporate Responsibility

The Company takes its responsibilities as a corporate citizen seriously. The Board’s primary goal is to create shareholder value but in a responsible way which serves all stakeholders.

We seek to maintain and promote high standards of business integrity. Company values, which incorporate the principles of corporate social responsibilities (CSR) and sustainability, guide the Group’s relationships with clients, employees and the communities and environment in which we operate. The Group’s approach to sustainability addresses both our environmental and social impacts, supporting the Group’s vision to remain an employer of choice, while meeting client demands for socially responsible partners.

The Group respects laws and customs while supporting international laws and regulations. These policies have been integral in the way group companies have done business in the past and will continue to play a central role in influencing the Group’s practice in the future.

Feedback from all stakeholders (shareholders, suppliers, joint venture partners and investees, customers and employees) is reviewed at meetings of the Board as a means of making sure we keep to our stated commitments. In particular:

- Shareholders may communicate directly with the CEO, who’s email address is available on the Company’s website.
- The Board holds regular meetings and discussions with its joint venture partner (DragonFinancials) and with CEDEX so as to monitor progress of its relationships and the effect on business strategy.
- Customers are encouraged to contact and provide feedback to the client support team through email or direct communication.
- Likewise, suppliers are encouraged to communicate with the operations team
- Employees have direct access to their managers as well as the Board.
- In all cases, the Company’s ethos is to act on feedback and to respond in a timely manner.

The Group is especially dependent upon the qualities and skills of its employees and the commitment of its people play a major role in the Group’s business success. The Group invests in training and developing its staff through internally arranged knowledge sharing events and through external courses.

Employees’ performance is aligned to the Group’s goals through an annual performance review process and via incentive programmes. The Group provides employees with information about its activities through regular briefings and other media. The Group operates a number of bonus and sales commission schemes and a share option scheme operated at the discretion of the Remuneration Committee.

The Group endeavours to ensure that the working environment is safe and healthy and conducive to the wellbeing of employees who are able to balance work and family commitments. The Group has a Health and Safety at Work policy which is reviewed regularly by the Board. The Group is committed to the health and safety of its employees, clients, sub-contractors and others who may be affected by the Group’s activities. The Group provides the information, instruction, training and supervision necessary to ensure that employees are able to discharge their duties effectively. The Health and Safety procedures used by the Group ensure compliance with all applicable legal and regulatory requirements as well as its own internal standards.

The Board does not support discrimination of any form, positive or negative, and all appointments are based solely on merit.

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

Internal controls

In applying the principle that the Board should maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets, the Directors recognise that they have overall responsibility for ensuring that the Company maintains systems to provide them with reasonable assurance regarding effective and efficient operations, internal control and compliance with laws and regulations and for reviewing the effectiveness of those systems. However, there are inherent limitations in any system of control and accordingly even the most effective system can provide only reasonable and not absolute assurance against material misstatement or loss, and that the system is designed to manage rather than eliminate the risk of failure to achieve the business objectives.

The Company has an established documented framework of financial and non-financial procedures necessary to implement the guidance on internal control issued by the Financial Reporting Council ("FRC") Guidance on Audit Committees which was most recently updated in April 2016. This includes identification, categorisation and prioritisation of critical risks within the business and allocation of responsibility to its Executives and senior managers. The key features of the internal control system are described below:

Financial controls

The Board takes responsibility for reviewing and approving all financial budgets which are prepared by the Chief Financial Officer. These are reviewed throughout the year and updated where necessary to reflect changes in the business environment or internal strategy changes. Performance is monitored on a monthly basis and reported to the Board.

The Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the exposure to loss of assets and fraud. Measures taken include segregation of duties and reviews by management.

This process, which operates in accordance with the QCA guidance, has remained in place up to the date of this Statement and is expected to continue on an ongoing basis. The Board, via the Audit Committee, has reviewed the systems and processes in place in meetings with the Chief Financial officer and the Company's auditors.

The Board is supported by the Audit Committee in respect of its responsibilities to prepare financial reports to shareholders. This includes an assessment of the appropriateness of key accounting policies, internal control and regulatory compliance.

Non-Financial controls

Non-financial controls are considered as important as financial controls and these encompass risk management and fraud, IT and business continuity, regulatory compliance, health and safety and corporate social responsibility.

The key elements of those non-financial controls are set out below.

Control environment: – the Company is committed to high standards of business conduct and seeks to maintain these standards across all of its operations. There are also policies in place for the reporting and resolution of suspected fraudulent activities. The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve its objectives.

Risk identification: – Management is responsible for the identification and evaluation of key risks applicable to their areas of business. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources, including infringement of intellectual property rights, sales channels, investment risk, staff retention, disruption in information systems, natural

catastrophe and regulatory requirements. The Company maintains a Business Risk Register to assess risks which threaten the business and to support business continuity plans.

Information systems: – Group businesses participate in periodic operational/strategic reviews and annual plans. The Board actively monitors performance against plans. Forecasts and operational results are consolidated and presented to the Board on a regular basis. Through these mechanisms, performance is continually monitored, risks identified in a timely manner, their financial implications assessed, control procedures re-evaluated, and corrective actions agreed and implemented.

BO TradeFinancials (“BOT”), which was regulated by CySEC, outsourced its internal audit function in respect of the trading platform. The internal auditors made recommendations in line with changes in the law and/or regulatory practices. Such recommendations have been acted upon by BOT under the supervision of the Company’s compliance officer. In March 2018, in line with TechFinancials’ wider strategy, BOT notified the CySEC of its intention to withdraw its Cyprus Investment Firm (“CIF”) authorization and in May BOT returned its license to CySEC.

As a result of the notification of the return of the license, MarketFinancials (“MF”) has terminated its market maker services with BOT, which was its only source of income. TechFinancials is reviewing its plans to sell MF, along with its license, and the Company intends to provide a further update on this process in due course.

MarketFinancials is licensed and regulated by the Financial Services Authority in The Seychelles for provision of securities dealer services. MarketFinancials has outsourced its compliance officer function in respect of the services it may provide (although no such services have so far been provided).

The Board considers the internal control system to be adequate for the Company. The auditors have provided services in relation to the annual audit of the Group, advice and compliance work in relation to taxation and other advisory work during the year. The Audit Committee reviews the scope and scale of the non-audit services undertaken by the auditors in order to ensure that their independence and objectivity is safeguarded.

Market Abuse Regulations

The Board recognises the importance of complying with the Market Abuse Regulations (“MAR”) which came into force in the UK on 3 July 2016 relating to the disclosure of inside information and disclosure of deals by persons discharging managerial responsibilities (“PDMR”) and persons closely associated (“PCA”). The Company has adopted an appropriate share dealing policy.

Anti-Corruption and Bribery Policy

The Board recognises the importance of having and operating an effective anti-corruption and bribery practices and safeguards. All staff are bound by a code of conduct which covers anti-corruption and bribery.

The Group’s internal control processes are reviewed at least annually as a means of ensuring they remain fit for purpose as the business evolves.

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

The Board is responsible for formulating, reviewing and approving the Group’s strategy, budgets and corporate actions. The Board expects to hold Board meetings physically at least four times a year and at other times by teleconference as and when required. These meetings consider a formal schedule of matters including the operating performance of the business and review the Group’s financial plan and business model.

The Board comprises one executive and two independent non-executive directors. All Directors bring a wide range of skills and international experience to the Board. The Non-Executive Directors hold meetings without the executive Director present. The Non-Executive Chairman is primarily responsible for the working of the Board of the Company. The Group Chief Executive is primarily responsible for

the running of the business and implementation of the Board's strategy and policy. The Group Chief Executive is assisted in the managing of the business on a day-to-day basis by the Group's Chief Financial Officer [who attends all board meetings].

The Board recognises that an independent non-executive director is one who is independent of management. As such, the Group follows the definition of independence in the UK Corporate Governance Code published by the FRC and considers that an individual so described should not have been an employee of the Group in the last five years, should not have had in the last three years a material business relationship with the Group, should not receive any remuneration from the Group other than fees, share scheme and performance related pay, should not have close family ties with advisers, directors or senior employees, should not have significant links with other directors, should not represent a significant shareholder and should not have served on the board for more than 9 years.

A non-executive director who is not independent, as defined above, is referred as a non-executive director.

There are documented procedures established to monitor and deal with conflicts of interest. The Directors' other commitments and interests are reviewed by the Board on a regular basis to ensure any potential conflicts can be addressed.

High-level strategic decisions are discussed and taken by the full Board. Investment decisions (above a de minimis level) are taken by the full Board. Operational decisions are taken by the executive Director within the framework approved in the annual financial plan and within a framework of Board-approved authorisation levels.

The Board regulations define a framework of high-level authorities that maps the structure of delegation below Board level, as well as specifying issues which remain within the Board's preserve. Each non-executive Director holds office for the term, if any, fixed by the resolution of shareholders or the resolution of directors appointing him until, if earlier, his death, resignation or removal. If no term is fixed on the appointment of a Director, the Director serves indefinitely until the earlier of his death, resignation or removal.

In accordance with the Company's Articles of Association, at the Annual General Meeting one-third of the Directors will be subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

Subject to the provisions of the BVI Business Companies Act, 2004, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last re-appointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined.

It is the responsibility of the Chairman and the Company Secretary to ensure that Board members receive sufficient and timely information regarding corporate and business issues to enable them to discharge their duties.

The Board considers that there is an appropriate balance between the Executive and Non-executives and that no individual or small group dominates the Board's decision making. The Board's members have a wide range of expertise and experience and it is felt that concerns may be addressed to the Non-executive Directors.

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, it has an effective and appropriate balance of up-to-date skills and experience, including in financial trading solutions, blockchain-based digital assets and traditional financial trading solutions for retail clients. Additional experience will be added as and when it is considered necessary.

The Directors also expect to receive technical updates, compliance and governance training on a regular basis as needed by attending courses to stay up to date in what is a fast-moving business and technological environment.

The Directors receive and review operational and financial performance data for discussion at its regular meetings

Appointment, removal and re-election of Directors

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments.

In accordance with the Company's Articles of Association, at the Annual General Meeting one-third of the Directors will be subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.

It is the responsibility of the Chairman and the Company Secretary to ensure that Board members receive sufficient and timely information regarding corporate and business issues to enable them to discharge their duties.

The executive and non-executive Directors have signed service agreements that contain notice periods of 3 months. There are no additional financial provisions for termination.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary and Chief Financial Officer.

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

The Chairman is responsible for assessing the individual contributions of each Board member to ensure that:

- Their contribution is measurable, timely, relevant and effective
- They commit sufficient time to the business to fulfil their statutory and fiduciary duties
- Where relevant, they maintain their independence
- They function collectively in a coherent and productive manner
- They receive appropriate training to stay up to date and improve performance

The Company is currently developing a comprehensive Board Performance Evaluation Process which is expected to include:

- Specific criteria against which board, committee, and individual effectiveness is considered;
- A system of regular appraisal encompassing 360 feedback;
- How evaluation procedures have evolved from previous years, the results of the evaluation process and action taken or planned as a result;
- Succession planning processes including strategies for identifying and developing future leaders of the business at all levels to determine board and other senior management appointments

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

The Board believes good corporate governance is about doing what is in the best interests of the Company and all its stakeholders, having the right people across the Group working together and doing the right things to deliver value for shareholders as a whole over the medium to long-term and taking account of ethical and environmental considerations. The Directors take the lead in this by setting policy

and being open to the views of all stakeholders and being approachable to staff, investors and key business partners. The Directors expect and encourage this behaviour throughout the organisation.

This is supported by staff training and support as it is fundamental that our people understand the needs of our customers and the regulatory environment which determines how we should operate. All team members meet regularly with managers where feedback is encouraged as a means of setting expectations, developing and maintaining values and behaviours.

The Board has adopted an anti-bribery and corruption policy, published on the Group's website, which is a high-level statement by the Board committing the Company to carrying out its business fairly, openly and honestly and to preventing bribery and corruption by persons associated with the Group. The Board has also adopted an anti-bribery and corruption procedure in order to implement this policy. It is based on industry best practice and all employees of the Group are required to comply with this procedure.

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

Board meetings

The Board expects to hold Board meetings physically at least four times a year and at other times by teleconference as and when required. During the year ended 31 December 2017, the Board met physically on 4 occasions and by teleconference on 8 occasions.

Senior managers are invited to attend Board meetings where appropriate to present activity updates and business development plans and to communicate staff viewpoints, where the Chief Financial Officer attends all board meetings.

All Board meetings are supported by a written agenda and the results of meetings are minuted. Any Director may challenge a decision, and this must be included in such minutes. Agreed decisions and action points are followed up and reviewed at subsequent Board meetings.

Roles and responsibilities of the directors and others who have specific individual responsibilities (e.g. for engagement with shareholders or other stakeholder groups)

Christopher Bell, Independent Non-Executive Chairman, is responsible for leading an effective board, overseeing corporate governance culture and ensuring appropriate strategic direction.

The Chief Executive Officer, Asaf Lahav, has overall responsibility for developing the Group's strategic direction and presenting this to the Board. He is responsible for implementing the agreed strategy approved by the Board and overseeing the management of the Company through the Executive Team.

Eitan Yanuv, the Group's Non-Executive Director, participates in all board level decisions and plays a role in the determination and articulation of strategy. He provides oversight and scrutiny of the performance of the executive directors, thereby ensuring the business develops, communicates and executes the agreed strategy and operates with reference to the risk management framework.

The Group's Chief Financial Officer, Yuval Tovias, is responsible for all Group financial operations including planning, directing, reporting and coordinating the financial activities of the Group.

Each member of the Board and the CFO engages with the Group's stakeholders, in a joint and collective way.

Board Committees

The Board maintains two standing committees, being the Audit and Remuneration Committees. The minutes of all sub-committees are circulated for review and consideration by all relevant Directors, supplemented by oral reports from the Committee Chairmen at Board meetings. The terms of reference of each committee are available at: <https://group.techfinancials.com/governance/>

Audit Committee

The Audit Committee has written terms of reference and provides a mechanism through which the Board can maintain the integrity of the Financial Statements of the Company and any formal announcements relating to its financial performance; to review the Company's internal financial controls and its internal control and risk management systems and to make recommendations to the Board in relation to the appointment of the external auditor, their remuneration both for audit and non-audit work, the nature, scope and results of the audit and the cost effectiveness, independence and objectivity of the auditors. Provision is made by the Audit Committee to meet the auditors at least twice a year.

The Audit Committee currently comprises Eitan Yanuv who chairs the committee, and Christopher Bell. The Committee was formed in March 2015 and held three meetings in 2017.

Remuneration Committee

The Remuneration Committee monitors the remuneration policies of the Company to ensure that they are consistent with its business objectives. Its terms of reference include the recommendation and execution of policy on Director and executive management remuneration and for reporting decisions made to the Board. The Committee determines the individual remuneration package of the executive management of the Board.

The Remuneration Committee recognises that incentivisation of staff is a key issue for the Company, which depends on the skill of its people for its success. The Remuneration Committee seeks to incentivise employees by linking individual remuneration to individual performance and contribution, and to the Group's results. The Remuneration Committee approves the grant of share options to employees according to an approved plan.

The aim of the Board and the Remuneration Committee is to maintain a policy that:

- establishes a remuneration structure that will attract, retain and motivate executives, senior managers and other staff of appropriate calibre;
- rewards executives and senior managers according to both individual and Group performance;
- establishes an appropriate balance between fixed and variable elements of total remuneration, with the performance-related element forming a potentially significant proportion of the total remuneration package;
- aligns the interests of executives and senior managers with those of shareholders through the use of performance related rewards and share options in the Company.

From time to time the Committee may obtain market data and information as appropriate when making its comparisons and decisions and is sensitive to the wider perspective, including pay and employment conditions elsewhere in the Group, especially when undertaking salary/remuneration reviews.

The remuneration package comprises the following elements:

- basic salary – normally reviewed annually and set to reflect market conditions, personal performance and benchmarks in comparable companies. The Non-Executive Directors receive an annual fee;
- annual performance-related bonus – executives, managers and employees receive annual bonuses related to specific KPIs or overall Group performance. The Non-Executive Chairman may receive a bonus of up to three months' fees if revenue and profits reach certain thresholds;
- benefits – benefits include life assurance and pension contributions. The Non-Executive Directors do not receive these benefits;
- share options – share option grants are reviewed regularly.

The Remuneration Committee currently comprises Eitan Yanuv who chairs the committee and Christopher Bell. The Committee was also formed in March 2015. The Committee held two meetings in 2017. No significant resolutions were made.

Nomination Committee

In common with many growing companies, the Company uses the whole board to consider matters of nomination and succession, whilst others establish a dedicated board committee. The Company does not currently have a Nomination Committee but this position will be kept under review.

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

The Board encourages an open dialogue with all stakeholders in order to support long-term decision making.

The Company's principal communication channels are through its Annual Report and Accounts, full-year and half-year announcements and AGM. As required under the QCA Corporate Governance Code, the Annual Report includes a Corporate Governance Statement, a Report of the Audit Committee and a Report from the Remuneration Committee.

Shareholders may also request meetings with the Directors outside the formality of General Meetings.

The Company's website provides regular and comprehensive updates on developments through a Corporate News page at <https://group.techfinancials.com/corporate/>

Clear and transparent disclosure of voting outcomes

As soon as practicable after any general meeting has concluded, the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company News page within the investors section of the Company's website.

Explanation of actions where a significant proportion of votes (e.g. 20% of independent votes) is cast against a resolution at any general meeting

The Company would provide such an explanation for such an event if it became relevant. To date, no such proportion has been cast against any resolution put to shareholders.

Inclusion of historical annual reports and other governance-related material, including notices of all general meetings over the last five years.

The investors section of the website includes this information. Notices of the annual general meetings held since admission to AIM are contained within the relevant annual reports.