

QCA Corporate Governance Code Statement

Chairman's Corporate Governance Statement

The Board is committed to maintaining high standards of corporate governance and, with effect from 28 September 2018, the Board has adopted the Quoted Companies Alliance's (QCA) Corporate Governance Code for small and mid-size quoted companies (the "Code").

The Code was revised in April 2018 to meet the new requirements of AIM Rule 26 and sets out ten broad principles of corporate governance, states what are considered to be appropriate corporate governance arrangements for growing companies and requires companies to provide an explanation about how they are meeting the principles through certain prescribed disclosures.

The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company. He manages the Board agenda and ensures that all Directors receive accurate, timely and clear information and effectively contribute their various talents and experience in the development and implementation of the Company's strategy. He ensures that the nature and extent of the significant risks the Company is willing to embrace in the implementation of its strategy are challenged and determined by the Board. The Chairman is responsible for ensuring that the Board implements, maintains and communicates effective corporate governance processes and for promoting a culture of openness and debate designed to foster a positive governance culture throughout the Company.

The Board considers that it does not depart from any of the principles of the QCA Code.

PRINCIPLES TO DELIVER GROWTH	
Principle	Application
Principle 1: Establish a strategy and business model which promote long-term value for shareholders	<p>eServGlobal PLC is a business of two parts.</p> <p>The Core Business is focussed on delivering digital financial transactions technology that enables financial and telecommunications service providers around the globe to create smoother transactions for their customers through deep technical expertise and rapid implementation.</p> <p>The Company combines more than 30 years' experience with an agile, future-focused approach. As a relatively small organisation, eServGlobal is able to implement new products and services for its customers rapidly. The Company strives constantly to be ahead of upcoming digital disruptions in order to support its clients in future-proofing their businesses.</p> <p>The core business is tightly clustered around long-standing, highly respected major telecom groups in the Middle East and Africa, in particular du (EITC), Zain Group and Ooredoo Group. eServGlobal has had on-going relationships with many of its customers for over a decade and this supports a proportion of recurring revenue.</p> <p>Inline with a strategic commitment to customer account management, eServGlobal launched a Customer Advisory Board (CAB) in 2017. The objective of the eServGlobal CAB is to support strategic planning, long-term performance and growth. eServGlobal will work with our customers to help set our future product direction.</p>

	<p>Driven by ongoing digital transformation in the telecommunication and financial service industries, eServGlobal has launched a Channel Partner Program. eServGlobal offers a suite of channel-ready technology, including Digital Wallet Services, Electronic Recharge, Voucher Management and Telco Access Channels.</p> <p>In addition to the Core Business, eServGlobal PLC holds a 35.69% shareholding the HomeSend Joint Venture with Mastercard. HomeSend is a global network, which enables paying Financial Institutions (banks, mobile money operators, money transfer organisations and more) to transfer funds to receiving Financial Institutions in a way that is safe, convenient and cost-effective.</p> <p>Mastercard is not only an investor in the joint venture but is also a key commercial partner for HomeSend. Mastercard offers a service called Mastercard Send for cross-border payments, which utilises the reach and capabilities of HomeSend to offer international payment capabilities.</p>
<p>Principle 2: Seek to understand and meet shareholder needs and expectations</p>	<p>The Company has an investor relations section on its website at http://eservglobal.com/investors/ where it discloses information about itself and its governance.</p> <p>The Company communicates with its shareholders:</p> <ul style="list-style-type: none"> • by making timely market announcements; • by posting relevant information on to its website; • by inviting shareholders to make direct inquiries to the Company; and • through the use of general meetings. <p>The Board encourages participation of shareholders at the Annual General Meeting or any other shareholder meetings to ensure a high level of accountability and identification with the Company’s strategy and goals. All shareholders are provided with the opportunity to submit written questions to the Company Secretary prior to the meeting if they are unable to attend the meeting.</p> <p>The Company’s Shareholders may elect to receive information from the Company and its registry electronically. Otherwise, the Company and its registry will communicate by post with shareholders who have not elected to receive information electronically as required by the Australian Corporations Act 2001.</p> <p>For investor queries please contact:</p> <p>Alma PR, Josh Royston / Hilary Buchanan / John Coles +44 (0) 208 004 4218 www.almapr.co.uk</p>
<p>Principle 3: Take into account wider stakeholder and</p>	<p>Social Responsibility</p> <p>eServGlobal places the utmost importance on acting with integrity in all areas of its business. The Company is committed to being a respected and sustainable</p>

social responsibilities and their implications for long-term success.

global company providing technologically advanced solutions to the world. eServGlobal believes in transparency and openness in all interactions and endeavours to foster positive relationships in all areas of the business.

At eServGlobal we appreciate the potential for technology to change lives, create opportunity and empower people. Through a continued commitment to innovation, our aim is to create long-term value for all stakeholders by offering industry-leading solutions.

Employees

eServGlobal is committed to continually recruiting and retaining the expertise and skills required to ensure the future growth and on-going success of the company. eServGlobal has a diverse workforce bringing specialized skills and knowledge from around the world.

Management consider diversity of the workforce in all human resource related decisions, as does the Board when considering Director and senior executive appointments.

The proportion of women:

- In the whole organisation: 29%
- In senior executive positions*: 50%
- Women on the Board: none.

*Senior executives are those persons reporting directly to the Executive Chairman.

Environment

eServGlobal is committed to meeting or exceeding all legislative, statutory and customary environmental requirements in all regions where we operate and in all markets that we serve. The Company is also committed to working with our customers to help them in meeting their environmental goals.

Our Environmental Protection Policy can be downloaded from our website here:

https://www.eservglobal.com/wordpress/wp-content/uploads/2016/04/eServGlobal-Environmental-Protection-Policy-v1_3.pdf

Ethics & Values

Our focus on innovation extends not just to our products and solutions but also to our values and our business practices. We strive to be responsible global citizens in all communities where we do business with the constant aim of gaining and maintaining the trust of our employees, customers, partners, shareholders and the wider community.

eServGlobal Limited's policies contain a formal Code of Ethics that applies to all directors and employees, who are expected to maintain a high standard of

	<p>conduct and work performance, and observe standards of equity and fairness in dealing with others. The detailed policies and procedures encapsulate the company's ethical standards.</p> <p>The Code of Ethics is available on the company's website at: https://www.eservglobal.com/wordpress/wp-content/uploads/2015/11/eServGlobal_Code_of_Ethics_112010.pdf</p>
<p>Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>Risk Management</p> <p>The Company does not have a specific committee to oversee risk. Risk management is overseen by the Audit Committee and the Board. The Audit Committee reviews the Company's risk management framework.</p> <p>Internal Audit Systems & Controls</p> <p>The Audit Committee is responsible for ensuring that the Company has appropriate internal audit systems and controls in place, and for overseeing the effectiveness of these internal controls. The Committee is also responsible for conducting investigations of breaches or potential breaches of these internal controls.</p> <p>Exposure to Economic, Environmental or Social Sustainability Risks</p> <p>The Company's mobile phone based technology solutions provide financial services in emerging markets. There are economic sustainability risks to the Company's operations which the Company manages through its constant review of the market and its competitors.</p> <p>The Company is not subject to any material environmental or social sustainability risks.</p>
<p>PRINCIPLES TO MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK</p>	
<p>Principle</p>	<p>Application</p>
<p>Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair</p>	<p>Structure of the Board</p> <p>The eServGlobal Board consists of two non-executive Directors and two executive Directors. Stephen Baldwin is considered to be an independent director. Tom Rowe is a non-executive director but is not considered independent due to his material association as the provider of Australian legal and company secretarial services to the company and its Australian subsidiaries.</p> <p>The Board is currently composed of one independent and three non-independent directors.</p> <p>The Board continues to review its membership.</p> <p>The length of service of each Director is disclosed in the Directors' Report.</p> <p>The Chairman is an executive director and performs the role of the Chief Executive Officer.</p>

The attendance of the directors at meetings held during the period under review are detailed below:

Directors' attendance at Board and Committee meetings held during the financial year

Directors	Board of Directors		Audit Committee		Remuneration and Nomination Committee	
	Held [*]	Attended	Held [*]	Attended	Held [*]	Attended
Stephen Baldwin	9	9	4	4	3	3
John Conoley	9	8	4	4	-	-
Andrew Hayward	7	7	-	-	-	-
Tom Rowe	9	9	-	-	3	3

^{*}Held during term of director's appointment to Board, Audit or Remuneration and Nomination Committees.

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

The Company will seek to have Directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the business.

All Directors are put up for re-election on an annual basis, for good corporate governance practice.

No significant matters of a corporate governance nature arose during the period covered by the 2017 Annual Report nor subsequently to the date of this statement on which it was considered necessary for the Board or any of its committees to seek external advice, although the Board consults with its Nominated Adviser and other professional advisers on routine matters arising in the ordinary course of its business.

Biographical details of the directors and their relevant experience can be found on the Company website at the following link:

<https://www.eservglobal.com/about-us/leadership-team/>

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

Performance of the Board

The Board regularly conducts an assessment of the performance of the Board and its committees and individual Directors. Due to the small size of the Board, performance evaluation of Directors is considered informally by the Board.

Terms of Agreements for the Board and Senior Executives

All directors and senior executives have entered into written appointment agreements with the Company.

Specifically:

- the non-executive directors have each executed a letter of appointment setting out the terms and conditions of their appointment; and
- the executive directors and senior executives of the Company have entered into employment contracts, setting out the terms and conditions of their employment.

	<p>Company Secretary</p> <p>The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.</p> <p>The Company Secretary is responsible for:</p> <ul style="list-style-type: none"> • advising the Board and its committees on governance matters; • monitoring compliance with Board and committee policy and procedures; • coordinating the timely completion and dispatch of Board papers; • ensuring the business at Board meetings is accurately captured in the minutes.
<p>Principle 8: Promote a culture that is based on ethical values and behaviours</p>	<p>eServGlobal Limited’s policies contain a formal Code of Ethics that applies to all directors and employees, who are expected to maintain a high standard of conduct and work performance, and observe standards of equity and fairness in dealing with others. The detailed policies and procedures encapsulate the company’s ethical standards.</p> <p>The Code of Ethics is available on the company’s website at: https://www.eservglobal.com/wordpress/wp-content/uploads/2015/11/eServGlobal_Code_of_Ethics_112010.pdf</p>
<p>Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board</p>	<p>Nomination & Remuneration Committee</p> <p>The Company has established a Remuneration and Nomination Committee to identify and make recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise.</p> <p>The members of this Committee during the reporting period were Stephen Baldwin (Committee Chairman) and Tom Rowe. With its current membership, the majority of the committee comprises independent Directors due to the casting vote of the Committee Chairman, who is an independent Director.</p> <p>The Remuneration and Nomination Committee Terms of Reference are disclosed on the Company’s at: https://www.eservglobal.com/wordpress/wp-content/uploads/2015/11/Remuneration-Nomination-Committee-Terms-of-reference.pdf</p> <p>The attendances of the members of the Committee are included in the Directors Report.</p> <p>Many of the functions of the Remuneration and Nomination Committee were also carried out in conjunction with the full board.</p> <p>Audit Committee</p> <p>The company has established an Audit Committee.</p> <p>The Audit Committee comprises John Conoley and Stephen Baldwin and accordingly all members of the Audit Committee are not non-executive and</p>

	<p>independent directors.</p> <p>Stephen Baldwin is the Chairman of the Audit Committee. Stephen Baldwin is an independent director and is not the chair of the Board.</p> <p>Despite not having at least three members, the board believes that the Audit Committee is of an appropriate size for the company.</p> <p>The names and qualifications of the audit committee members and the number of meetings of the audit committee are contained in the Directors' Report.</p> <p>The Audit Committee charter is publicly available on the company's website at:</p> <p>https://www.eservglobal.com/wordpress/wp-content/uploads/2015/11/eSG-Audit-Comm-Terms-of-Reference-Final.pdf</p> <p>The matters reserved for the board include, inter alia:</p> <ul style="list-style-type: none"> • Powers and membership of the Board, Board terms of reference and the overall governance framework of the Company. • Setting long-term Company objectives and commercial strategy including management structure and significant appointments. • Changing the share capital or corporate structure of the group. • Approving annual operating and capital expenditure budgets. • Approving half-year and full-year results and reports, dividend policy and significant changes in accounting practices. • Approving major investments, acquisitions, disposals, capital projects and significant contracts. • Approving resolutions to be put to general meetings of shareholders and the associated documents or circulars. • Matters in relation to the Company's obligations under applicable stock exchange (Australian Stock Exchange and LSE Alternative Investment Market) rules including announcements and other communications with shareholders and the exchanges. <p>The board has approved the adoption of the QCA Code as its governance framework against which this statement has been prepared and will monitor the suitability of this code on an annual basis and revise its governance framework as appropriate as the group evolves.</p>
--	---

PRINCIPLE TO BUILD TRUST

Principle	Application
<p>Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with</p>	<p>The Company has an investor relations section on its website at http://eservglobal.com/investors/ where it discloses information about itself and its governance.</p> <p>The Company communicates with its shareholders:</p> <ul style="list-style-type: none"> • by making timely market announcements; • by posting relevant information on to its website;

**shareholders
and other
relevant
stakeholders**

- by inviting shareholders to make direct inquiries to the Company; and
- through the use of general meetings.

The Board encourages participation of shareholders at the Annual General Meeting or any other shareholder meetings to ensure a high level of accountability and identification with the Company's strategy and goals. All shareholders are provided with the opportunity to submit written questions to the Company Secretary prior to the meeting if they are unable to attend the meeting.

The Company's Shareholders may elect to receive information from the Company and its registry electronically. Otherwise, the Company and its registry will communicate by post with shareholders who have not elected to receive information electronically as required by the Australian Corporations Act 2001.

Considerations for FY19

The Board will determine during the course of FY19 whether it would be appropriate for the Chairman to be available to meet key shareholders / stakeholders on an annual basis. Considerations will be made as to how beneficial this would be in enhancing communication between the Company and its shareholders.