

**Statement of Compliance with the QCA Corporate Governance Code:**

As a listed company traded on the AIM market of the London Stock Exchange (LSE) we recognise the importance of sound Corporate Governance throughout our Group. It is the Board's responsibility to ensure that Cambria is managed for the long-term benefit of all stakeholders, with effective and efficient decision-making. Corporate Governance is an important part of this, reducing risk and adding value to our investments, shareholders and other stakeholders.

In my capacity as Chairman, I have ultimate responsibility for ensuring the Board adopts and implements a recognised Corporate Governance Code in compliance with the LSE's recent changes to the AIM Rules requiring all AIM-listed companies to adopt such a Code. The Board has committed to the adoption of, and working to, the Quoted Companies Alliance (QCA) Corporate Governance Code 2018.

The Chief Executive Officer (CEO) has responsibility for the implementation of governance throughout our organisation, commensurate with our size of business and scope of operations.

The QCA Corporate Governance Code 2018 has ten key principles and we set out below how we apply those principles to our business.

*Paul Turner*  
*Non-Executive Chairman*

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

Cambria is a long term active investment company holding investments in Zimbabwe. We currently own two core subsidiaries, Payserv and Millchem. The Company is one of a few AIM listed companies which allows investors to participate in Zimbabwe's unique potential.

Our Board is committed to the creation of long-term shareholder value through our investments and being actively involved in developing investee strategy, optimising their operations and growing their businesses. We adopt a prudent and conservative investment philosophy, balancing expecting returns in the context of identifiable risks.

Our focus on Zimbabwe stems from our believe that the new political environment in Zimbabwe will provide a growing market for our current investments and opportunities which the management team is uniquely positioned to identify and act on.

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

The Board is committed to maintaining good communications and having constructive dialogue with both its institutional and private shareholders. Shareholders are kept informed through our public announcements and corporate website.

The Company website also allows shareholders and prospective shareholders to register for automatic news alerts for regulatory announcements.

In addition to the above, the Board encourages direct engagement from our shareholders with our most senior Executives including our CEO, with his direct contact details provided on our website and all company announcements. This is in line with our strategy of shortening the communication distance between Executives and Shareholders.

**Principle 3:**

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

The Board recognises that the Company's continued growth and long-term success are reliant on its relations with its stakeholders, both internal (employees and shareholders) and external (customers, service providers, suppliers and advisors).

The Group's employees are considered key in delivering successful growth and as such the Company fosters an open dialogue throughout its workforce. The Company endeavours to keep its workforce informed on the Company's progress.

The Company also maintains regular dialogue with its external stakeholders particularly its clients and customers which help drive business development. The Company works closely with its advisors to ensure it operates in conformity of its listing and other regulations in the UK, as well as the social and legal, requirements of Zimbabwe. Our clients and customers are our most important stakeholders and understanding their needs is a crucial element to the growth and long-term success of the Company.

Engaging with our stakeholders strengthens our relationships and helps us make better business decisions to deliver on our commitments.

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

*Audit, risk and internal control*

*Financial controls*

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company.

- The Board is responsible for reviewing and approving overall Company strategy, approving operating and capital budgets, and for determining the financial structure of the Company including treasury, tax and dividend policy.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, operational and financial controls.
- There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets, and for forecasting expected performance over the remainder of the financial period. These cover profits, cash flows, capital expenditure and balance sheets. Monthly results are reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised in light of actual performance.
- The Company has a consistent system of prior appraisal for investments, overseen by the Board and CEO, with defined financial controls and procedures with which each business area is required to comply.

### *Non-financial controls*

The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to our strategy. The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- Close management of the day-to-day activities of the Group by Executive Management.
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks.
- A comprehensive annual budgeting process approved by the Board.
- Detailed monthly reporting of performance against budget.
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The Group continuously review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available. As part of the Group's review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, risk management, business continuity and corporate social responsibility (including ethical trading, supplier standards, environmental concerns and employment diversity) have been assessed.

### **Principle 5:**

#### **Maintaining the Board as a well-functioning, balanced team led by the Chair**

The Board comprises the CEO and three Non-Executive Directors, including the Non-Executive Chairman. The Board will meet every quarter or at any other time deemed necessary for the good management of the business and at a location agreed between the Board members.

The Non-Executive Directors, Paul Turner, Dipak Pandya and Josie Watenphul, are all considered independent directors notwithstanding Paul Turner's length of service and role as Chairman.

The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

### *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.

**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 skills and experience, including in the areas of fin-tech, information technology, distribution, finance, business development, trading, and marketing. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its subsidiaries' performance against their agreed budgets, and the Board reviews the monthly reports on performance and any significant variances are reviewed.

The current composition of the Board may be found here:

<http://www.cambriafrica.com/about-us/directors-and-senior-management>

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

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

The Board considers evaluation of its performance and that of its committees and individual directors to be an integral part of Corporate Governance to ensure it has the necessary skills, experience and abilities to fulfil its responsibilities. The goal of the Board evaluation process is to identify and address opportunities for improving the performance of the board and to solicit honest, genuine and constructive feedback.

The Board considers the evaluation process is best carried out internally given the Company's current size.

The internal evaluation process includes the following aspects which are subject to review annually or as required by circumstances:

**a) Board Evaluation**

- Board composition in terms of skills, experience and balance
- Board cohesion
- Board operational effectiveness and decision making
- Board meetings conduct and content and quality of information
- The Board's engagement with shareholders and other stakeholders
- The corporate vision and business plan

**b) Committee Evaluation**

- Board Committees' composition in terms of skills, experience and balance
- Board Committees' Terms of Reference
- Board Committees' effectiveness

**c) Individual Director Evaluation**

- Executive Director performance in executive role
- Executive Director performance and contribution to the Board
- Non-Executive Director performance and contribution to the Board
- Non-Executive Director's independence and time served
- All Directors' attendance at Board and Committee meetings

The Board will, as a whole or in part as appropriate, undertake the evaluation process aided by the Chairman, CEO and Non-Executive Directors. The Chairman is responsible in ensuring the evaluation process is 'fit for purpose', as well as dealing with matters raised during the process. The Chairman will keep under review the frequency, scope and mechanisms for the evaluation process and amend the process as required.

Where deficiencies are identified these will be addressed in a constructive manner. The evaluation process will be focused on the improvement of Board performance, through open and constructive dialogue and the development and implementation of action plans.

Succession planning is a vital task for boards and the management of succession planning represents a key measure of the effectiveness of the Board and a key responsibility of both the Nominations Committee and wider Board.

**Principle 8:**

**Promote a culture that is based on ethical values and behaviours**

The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset and a likely competitive advantage. The Board aims to lead by example and do what is in the best interests of the Company.

Conducting its business in an ethical, professional and responsible manner, treating our employees, clients, suppliers and business partners with equal courtesy and respect at all times, are non-negotiables adopted by the Board and visible in the actions and decisions of the CEO and the rest of the management team. It is a key element in every aspect of the Group's businesses, including recruitment, nominations, training and engagement. The Group's performance and reward system endorses the desired ethical behaviours across the Company.

**Principle 9:**

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

*Roles of the Board, Chairman and CEO.*

The Board is responsible for the long-term success of the Company. The Board is intimately involved in all material decisions of the Company and its subsidiaries. It is responsible for overall Group and subsidiary strategy, approval of major investments ; approval of the annual and interim results; annual budgets; dividend policy, and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all subsidiaries, their annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company.

The CEO is responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the Group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. He also manages and oversees key risks, management development and corporate responsibility programmes. The controls applied in respect of financial and non-financial matters are set out earlier in this document, and the effectiveness of these controls is regularly reported to the Audit Committee and the Board.

#### *Board committees*

The Board is supported by the Audit, Remuneration and Nomination committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The terms of reference of each committee are available at <http://www.cambriaafrica.com/about-us/directors-responsibilities-committees>.

#### **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 good communication and having constructive dialogue with all of its stakeholders, including shareholders, providing them with access to information to enable them to come to informed decisions about the Company.

The Investor Relations section of the Company's website provides all required regulatory information as well as additional information shareholders may find helpful including: information on Board Members, Advisors and Significant Shareholdings, a historical list of the Company's Announcements, Corporate Governance information, the Company's publications including historic Annual Reports and Notices of General Meetings, together with Share Price information and interactive Charting facilities to assist shareholders analyse performance.

Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company's website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.

Information on the work of the various Board Committees and other relevant information are included in the Company's Annual Report.

**September 2018**