Statement by the Directors in performance of their statutory duties in accordance with sections 172(1) Companies Act 2006

In performing their duties under s172 of the Companies Act 2006, the Directors of the Company have had regard to the matters set out in s172(1) in terms of acting in good faith to promote the Company's success for the benefit of its shareholders as follows:

The Board's approach

<u>The role of the Board</u>
The Board of Directors is responsible for setting the overall strategic direction and risk appetite of the Company, and exercises oversight and control over management's day-to-day running of the business. This is achieved by regular Board meetings that are attended by representatives from all major functions such as Finance, Compliance and Risk, and Legal. The Board holds management to account by ensuring action items are properly addressed and closed at subsequent meetings and requesting regular status updates.

<u>Strategy</u>
The Company has a defined strategy that is supported by a budget and rolling 3-year business plan. This plan considers how the Company can achieve success while continuing to act in the interests of all its stakeholders. This strategy is also considered alongside the strategy of the wider Group, of which the Company is a member.

<u>Information</u>
The Board meetings are supported by up-to-date Management Information covering various performance metrics, new and emerging risks and the status of regulatory compliance submissions. This ensures adequate consideration of historic as well as potential future performance and risk. The information is scrutinised by internal and external parties including the Travelex Group's Board and the Group's internal auditors.

<u>Corporate Governance Statement, Policies and Practices</u>

The Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations") require certain large private entities to disclose their corporate governance arrangements where specific thresholds are met, including employing over 2,000 individuals during the reporting period. The Company, a private limited company, operates as a subsidiary within the wider Group. Its primary function is to provide intra-group services to the Group, including central back-office support and treasury functions, as described under 'Principal Activities'. The Company does not follow a specific corporate governance code, such as the UK Corporate Governance Code or the Wates Corporate Governance Principles for Large Private Companies. This decision reflects the nature of the Company's role as an intra-group service provider and the centralisation of governance arrangements at the group level by Travelex International Limited. The governance framework applicable to the Company is directed by Travelex International Limited's overarching corporate governance structures. These structures ensure that governance issues, including strategic decision-making, financial oversight, and risk management, are addressed centrally by the Group's Board and committees, rather than at the Company's entity level. The governance arrangements ensure that the Company's limited independent operations as an intra-group service provider are effectively overseen and aligned with Group-wide objectives.'

The Company, as part of the Group, is subject to oversight through the work of various committees with their own terms of reference and who meet regularly. These committees include the Group Audit and Risk Committee and Group Risk Committee.

The Company, as part of the Group, also has policies and controls concerning expenditure, authorisation limits, anti-money laundering reporting and other activities undertaken by the Group, all of which are regularly reviewed by the relevant committees. These reviews include ensuring that the decisions and intended consequences are in line with a business of the size and scale of the Group. The Company's policies and controls are in accordance with the Group's policies and controls.

Training

The Company regularly reviews training needs across all of its employees and provides suitable learning, assessments, and monitoring to ensure all individuals connected with the Company are fully aware of their role requirements. Training is also provided to management and Board members themselves.

Culture

The Company and the Group pride themselves in the culture and values demonstrated across the business, and how this culture positively affects relationships with other internal and external stakeholders. This also informs and influences the Board in decision making and promoting the Company's success. The consequences of negatively impacting the culture are quick to materialise and can clearly be seen, and therefore actively avoided.

Maintaining our ability to operate

The Directors recognise that while the Company does not require a licence to operate, the future trading of the Company and the Group is predicated on maintaining positive relationships with all of its key stakeholders. The Directors' responsibility to act in a way that considers how to maintain these relationships and promote the success of the Group and the Company is taken very seriously.

Particular focus is given to the interests of all employees, fostering positive relationships with customers and suppliers, how its operations impact on the local community and environment, while also balancing what are sometimes competing priorities and so acting in a way that is fair between the various different stakeholders.

Employees

People are the key to the Company's success as much as the products offered to customers and so motivating, developing, and retaining employees is of paramount importance. By providing a positive working environment, in line with the Company's values and inclusivity and supported by appropriate training opportunities, the Company can ensure that all of its employees reach their individual goals and, in so doing, enable the Company to reach its organisational objectives. Board members and Directors from the Group participate in regular updates and provide a forum for questions and views from individual employees to be raised.

Customers and suppliers

Customer satisfaction with the service they receive is a metric by which all of the Company's outputs are judged. Performance metrics are reviewed at regular Board meetings, and all managers and colleagues are supported to serve customers fairly and consistently, and to resolve any complaints that might arise.

Suppliers are constantly monitored in terms of their own delivery and performance, not just in relation to cost but also their impact on the service provided to customers and the Company's employees. Prospective new suppliers go through a due diligence process to ensure there is a complete picture of that supplier and to identify any potential risks of working with them. Partnerships with key suppliers are a valued source of protection, as this secures service and standards over time to the benefit of customers and the Company more widely.

Community and the environment

The Company as part of the Group are committed to acting responsibly and with the interests of the community and environment in mind. The Group are committed to incorporate environmental responsibility into all business operations through planning environmental protection as well as reviewing processes and procedures, while ensuring that Travelex meets legal compliance obligations as these relate to the environmental aspects of the business. In the UK, Travelex is part of the mandatory Energy Savings Opportunity Scheme. The aim of this programme is to ensure companies use a professional body to review and agree the carbon produced by Gas and Electricity consumption, along with using the expertise provided to reduce fuel usage.

Statement by the Directors in performance of their statutory duties in accordance with sections 172(1) Companies Act 2006 (continued)

All Travelex employees are encouraged to work towards improving our environmental performance by saving energy where possible. Wherever practicable, Travelex will source environmentally friendly products. As part of Travelex's due diligence process to select new suppliers, Travelex assesses the environmental policies of new potential suppliers to ensure their values are aligned with ours.

Key decisions in the year
Our governance model is aligned to the Group in ensuring that all decisions are made in accordance with Group policies and strategic plans. The Company Board meets on a regular, scheduled basis to track performance against detailed operational targets, financial budgets and reforecasts. Key decisions would include entering or renewing significant new customer contracts and material capital expenditure.

The Company's focus has been on continuing to execute its principal activities on behalf of the Group. A key milestone in the Transformation Programme was reached in 2025 with the transition of the Group and its subsidiaries to a cloud-based Oracle accounting platform, delivering a strategic systems upgrade, further strengthening controls and de-risking the Group's operations.

Events after the balance sheet date
Refer to the Director's report and note 23 'Post balance sheet events' of the financial statements for details.

Financial risk management
The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company's risk management was operated in accordance with the policies and procedures of the Group. The company has completed a robust assessment of the company's emerging and principal risks, including a description of its principal risks, what procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.

Operational risk
Operational risk is defined as the risk arising within the organisation from:

- systems risk from inadequately designed or maintained systems, including cyber security risks.
- legal risk and reputational impact risk from non-compliance with local regulations, international regulations, the Company's ethical business standards and contractual obligations, including the incurrence of fines.
- process risk from inadequate or failed internal processes; and
- people risk from inappropriate staffing levels or inadequately skilled or managed people.

Operational risk exposures are identified, managed, and controlled through the regional and the Group risk committees as appropriate.

Physical risk
Physical risk arises from the Company's exposure to theft and misappropriation or damage to its physical assets. The Company employs a dedicated physical risk team which develops appropriate policies and procedures to mitigate this risk and oversees the compliance with the policies. These arrangements are reviewed by third parties on an ad hoc basis. An appropriate level of insurance is maintained to limit the Company's exposure.

Political and economic risk

Current economic scenario
Passenger volumes and international travel through key airport locations and travel hubs are key to Travelex. The propensity to travel, particularly for pleasure, is often dependent upon disposable income levels and geo-political events.

Financial risk management (continued)

International arrivals grew 4% globally in 2025, beginning to match the pre-pandemic growth average of around 5% per year between 2009 and 2019. The 2026 global travel outlook was forecast to match 2025. Demand remained strong despite economic pressures. Whilst Europe is expected to remain the world's most visited region, smaller less developed locations are expected to take market share.

However, volatility returned to the global economy in March 2026 as a result of the conflict in Iran, with tensions spilling out into neighbouring states with Iran launching strikes on key infrastructure. As well as the direct impact on MET trading due to reduced travel volume, energy prices have surged since the start of hostilities, with European gas prices increasing and the price of Brent crude also increasing. Prices are below levels reached in 2022, after Russia's invasion of Ukraine, but prolonged uncertainty could push energy prices higher with some delay in prices being factored by markets. As long as the conflict continues, the risk of serious economic damage grows, with UK mortgage lenders raising mortgage rates in anticipation of higher inflation and a slower pace of interest rate reductions as a direct result of events in the Middle East.

Before March 2026, UK inflation was forecast to continue its downward trend in 2026, with most projections suggesting a return toward the 2% target by the second half of the year. Average forecasts in early 2026 anticipate Q4 2026 CPI inflation around 2.1%–2.2%, following a projected sharp decline in the spring and following a record budget surplus on the UK of £30.4bn for the month of January. UK GDP growth was forecast to remain modest in 2026, with estimates generally ranging between 1.1% and 1.3%. While reflecting a continued, albeit slow, recovery from post-COVID lows, this indicates a period of sluggish expansion compared to the 2010s average, driven by weak business investment, high costs, and tightening fiscal policy.

Travelex continues to monitor wider economic risks to the business and is alert to issues impacting travel, having historically been agile and able to adapt to changes in the wider economy.

Future economic and political risks
The key risk is how long the Iran conflict will last. While a provisional ceasefire is in place and multiple rounds of mediated talks have been held, only tentative agreement has been reached.

Global uncertainty on trade tariffs has returned and creates a situation similar to that seen in early 2025. As the currently announced tariffs are focused on goods, there is little direct impact on Travelex's cost base as cash supply and the Company's other major costs consisting of rent, payroll and other third-party services are not subject to tariffs. However, a broader trade war could lead to recessionary pressure. Travelex has historically proven to be resilient to economic downturns and the wholesale business tends to benefit from political uncertainty.

Competitive risk
Travelex monitors key competitors closely. Competitive risk is actively mitigated by building strong relationships with customers and suppliers to enable the business to constantly evaluate our service levels and customer offerings to ensure we are a valued partner for all our customers.

The challenges in the travel sector have led to some competitor exits, which have in turn driven opportunity for the Company to take further market share in a number of different geographies. Contracts have also been reviewed and re-negotiated with suppliers and partners to improve terms where applicable.

Travelex has responded to challenger fintech businesses with an increased focus on developing self-serve, home delivery, e-commerce and new digital products (one of the fastest growing areas) of its own. Now more than ever, and, as part of a change in priorities in 2025, the business is transforming to use new tools to drive great service with efficiency. Travelex has seized new opportunities with Retail airport contract wins and Wholesale business expansion and continues to transform with the right management capabilities to support the changing business.

Foreign currency risk
The Company conducts business in many foreign currencies, reporting its results in Pounds Sterling. As a result, it is subject to fluctuations in foreign exchange rates which affect the Company's transactional revenues and costs. The Company follows the Group's hedging policy to minimise the impact of foreign exchange rate movements relating to transactional exposures. Any transactional exposures are hedged at group level in line with the Group's foreign exchange guidelines. The Company manages the Group's exposure to foreign currency risk by hedging of foreign currency exposure and these activities are centralised processes managed by the Treasury function which resides in the Company.

Liquidity risk
The Company manages the Group's liquidity in line with the Group's policy through a combination of bank borrowings and other term debt, and capital markets instruments. Global cash management is an important daily activity, and the Group operates a policy of centralising surplus cash in order to facilitate intra-group funding and to minimise external borrowings requirements. The Company provides ongoing liquidity support to operating locations, as evidenced by intercompany assets and liabilities reflected with the Group treasury function.

Credit risk
Credit risk arises from the possibility that the Company may incur losses from customers' failure to meet their obligations. All material credit exposures require approval by authorised individuals, independent of business revenue generation. Credit exposures are monitored periodically against approved risk limits. The Company is also exposed to the credit risk arising from receivables from affiliates. The intercompany balances relating to trade settlement and accounts payable or receivable processes are normally settled on a monthly basis which helps to limit the Company's exposure to balances with other companies within the Group. The Company monitors other non-trading loans relationship and performs an appropriate impairment review on a periodic basis.

The company is exposed to cash flow risk arising from the settlement of trade receivables and trade payables and from balances with Group undertakings. Certain intercompany balances are interest-bearing and therefore future cash flows may vary with changes in market interest rates. The Company's funding, liquidity and interest rate exposures are managed centrally through the Group Treasury function, which monitors cash requirements and funding positions on an ongoing basis.

There is also credit risk exposure as a result of cross guarantees within the Group. The Company, alongside other subsidiaries of the Group, agreed to stand as guarantor for these New Money Notes, New Senior Secured Notes, term loan and guarantee facilities (refer to Contingent liabilities, note 21, and Post Balance sheets event, note 23, for further details).

Compliance and regulatory risk
The Company utilises the Group's in-house risk and compliance specialists to ensure compliance with anti-money laundering and other legal, regulatory, and licensing requirements. The Company will continue to utilise specialists, as required, to maintain compliance.

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