

**Annual General Meeting of Walker Crips Group plc (“the Company”)  
held at 11.00 am on 28 September 2021  
at Old Change House, 128 Queen Victoria Street, London EC4V 4BJ**

**Questions and Answers**

The questions set out below were received by the Company’s Board of Directors in advance of the Annual General Meeting and were responded to at the Meeting on behalf of the Board by the individual Directors named, as follows:

**Question 1:** *Please provide more detail on the significant exceptional costs incurred in the last financial year. P.81 in R&A only provides headline information.*

**Response** by Sanath Dandeniya, Group Finance Director: This year has been somewhat unique. On one side, the pandemic drove and accelerated the need to reduce our cost base and on the other side we saw the SM&CR rollout which resulted in some hard decisions being taken to comply with our regulatory duties. Unfortunately, these have led to some redundancies and contract disputes. On top of this, we are continuing with our Group restructuring program and the total exceptional number includes the costs incurred to date on this.

**Question 2:** *Given that over 90% of total revenue is derived from WCIM [Walker Crips Investment Management Limited] is there sound rationale for no actual WCIM representation on the PLC board and if so, please provide the reasoning.*

**Response** by Martin Wright, Chairman: I understand your question. The answer is that if we increase the number of directors on the PLC board, we would also need to increase the number of non-executive directors in order to comply with the Corporate Governance Code. We are reluctant to do this, since it would add more overhead. But you are right that we need to be involved in the business, particularly of the main trading subsidiary. Clive Bouch, David Gelber and I sit on the board of WCIM and have done so for many years. Our Group Chief Executive, Sean Lam, and our Group Finance Director, Sanath Dandeniya, also serve on the WCIM Board, as well as participating in executive forums and having executive roles within that business. We meet four times a year at regular WCIM board meetings but also on an ad hoc basis, as required. One of the curious windfall benefits of the pandemic is that it has become much easier to convene meetings at relatively short notice, if required, and we do take advantage of that. This will of course continue once we achieve the plan to consolidate the business from the multiple trading subsidiaries.

**Question 3:** *We all accept that the COVID 19 headwind combined with exceptionally low interest rates caused additional challenges for many businesses in the financial sector but WCG appears to have been hit harder than most given its significant underperformance within FTSE Small Cap Index and moreover its peer group. Please explain why that is - what are our competitors doing differently and what urgent action is the Board taking to rectify WCG’s ongoing underperformance?*

**Response** by Sean Lam, Group Chief Executive: COVID-19 was a very difficult time for everyone, and we are proud that our people, our systems and our technology were able to cope with the challenges; and the transition to remote working was practically seamless. While we obviously look at what our peers are doing, we are not in a position to provide a meaningful comparison with other firms’ results. We are determined to improve our performance and we have a wide variety of initiatives that we are pursuing. The investment in having our own back office and our own technology provides us much stability and flexibility but it does come at a high fixed cost. In order

to address this, we have already begun expanding our revenue streams, and taking a hard look at the composition of our costs. We have created our own Service First Managed Portfolio Service which is delivering good performance to customers, is scalable and starting to gain traction. We are driving investment ideas from the centre through the Investment Senate, we are right-sizing our fees in line with our service offering, we are hiring quality financial planners, we are expanding into Southampton, and we are focussed on providing good customer outcomes. We are also exploring more business-to-business opportunities where we can utilise our existing infrastructure, our existing setup, to provide services to other parties but with minimal marginal increase in costs to Walker Crips.

We have 107 years of legacy. Much is good, but some aspects are in need of refreshing and replacing. Therefore, we are consolidating our regulated entities, reducing complexity of the Group and increasing efficiencies and bringing teams closer together. We are making greater use of appropriate technologies to drive efficiencies and effectiveness, enabling our investment managers, advisers and staff to focus on the main things, and on customer outcomes. Much work has already taken place, and we are hopeful that as some of these measures take root, we can see them translate into better top line performance, and the lowering of costs.

**Question 4:** *On P.20 of the R&A the F.D. refers to the operating loss of WCWM [Walker Crips Wealth Management Limited] citing ‘departures of underperforming teams’. Was it actually plural i.e., multiple teams? And can the description ‘underperforming’ be placed in context or at least clarified please?*

**Response** by Sanath Dandeniya, Group Finance Director: Perhaps I could have been a little clearer on this point. You can argue whether the departures were one team or a number of separate individuals, each of whom we consider a team in their own right, but it refers to the departures in York. I also think that the word underperforming should probably have applied more to the framework within which they operated, rather than specifically to the team itself.

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