

## **Corporate Governance**

The Board of Minoan Group Plc (“Minoan” or the “Group”) is responsible for the Governance of the Group, Governance being the systems and procedures by which Minoan is directed and controlled. The ultimate responsibility for the quality of, and the approach to, corporate governance lies with the chair of the Board, Christopher Egleton (the “Chairman”). A prescribed set of rules does not itself determine good governance or stewardship of a company and, in fulfilling their responsibilities, the directors believe that they govern Minoan in the best interests of the shareholders, whilst having due regard to the interests of other “stakeholders” in Minoan including, in particular, customers, employees and creditors.

## **Principles and Approach**

As an AIM company, Minoan is not required to comply with the UK Corporate Governance Code which applies only to premium listed UK companies and adherence to which requires the commitment of significant resources and cost. However, the Board of Minoan has chosen to commit to the adoption of the Quoted Companies Alliance (“QCA”) Corporate Governance Code. The QCA Corporate Governance Code has ten key principles and, set out below, is how we apply those principles to our business. More detailed information is provided each year in our Annual Report.

	Principle	Extent of Current compliance	Commentary	Further disclosure
1	Establish a strategy and business model which promotes long-term value for shareholders.  The Board should express a shared view of Minoan’s vision including what the Group is	Fully compliant	Following the disposal, in October 2018, of its travel business, Stewart Travel Limited, the Group is concentrating all its efforts on its development project in Crete (the “Project”). The Project is in the name of Loyalward Limited and has an unappealable Presidential Decree, which is the equivalent of UK outline planning consent. Minoan’s vision is that by realising the value of the	

	<p>working to achieve and what is required to achieve these objectives with, if possible, the period in which these objectives are to be achieved.</p> <p>The Board is responsible for putting in place and communication a sound system to manage risk and implement control.</p>		<p>Project it will deliver long term, sustainable growth in shareholder value whilst ensuring against unnecessary risk.</p> <p>The Group's key risks are under continuous review by the Board and reported periodically. The key risks remain centred round the Project.</p> <p>The Group has an ongoing requirement to raise capital to finance its working capital. As has been the case for the past several years, the Group is in continual discussions with a variety of individuals and commercial parties regarding the provision of funding to enable the Group's current and future obligations and requirements to be met. These discussions are at varying stages of development and the Board is confident that all necessary funding will be forthcoming within a timescale which will enable the Group to move forward to provide a return to shareholders in due</p>	<p>Strategic Report - Report and Financial Statements - Minoan website - Investor Information - Financial and Regulatory Documents  <a href="http://www.minoangroup.com/investor-information/minoan-aim-info/">(http://www.minoangroup.com/investor-information/minoan-aim-info/)</a></p>
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			<p>course.</p> <p>As the Project now moves towards its implementation stage, the normal risks associated with a development of its size and nature will apply. These include, inter alia, detailed planning consents, availability of project finance, construction costs and market demand.</p> <p>There are no material risks related to currency.</p>	
2	<p>Seek to understand and meet shareholder needs and expectations.</p> <p>A healthy dialogue should exist between the Board and shareholders to enable shareholders to come to informed decisions about the Group.</p>	Fully compliant	<p>The Board attaches great importance to providing shareholders with clear and transparent information on Minoan's activities, strategy and financial position.</p> <p>Details of all shareholder communications are provided on Minoan's website.</p> <p>The Board, in particular the Chairman, has regular meetings/telephone conversations with larger shareholders. However, the Board is aware of the need to protect the interests of</p>	<p>Company Announcements section - Minoan website  <a href="http://www.minoangroup.com/company-announcements/">(http://www.minoangroup.com/company-announcements/)</a></p>

		<p>minority shareholders, and balancing these interests with those of more substantial shareholders.</p> <p>The Board regards the annual general meeting as a good opportunity to communicate directly with all shareholders. The usual format for the AGM has been to deal with the statutory part of the meeting i.e. the resolutions to be voted on (all of which have been passed without comment at the AGM's held to date) and then to open the floor for a question and answer session in which the Chairman, Christopher Egleton, and any other director where appropriate, have dealt successfully with questions from shareholders on all aspects of Minoan's business, which has enabled the Board to engage with shareholders and receive relevant feedback from them.</p> <p>Minoan lists contact details on its website and on all announcements released via</p>	<p>The Notices of AGM's and the results of the Group's recent AGM's can be found in the Financial &amp; Regulatory Documents and Company Announcements sections - Minoan website  <a href="http://www.minoangroup.com/investor-information/minoan-aim-info/">(http://www.minoangroup.com/investor-information/minoan-aim-info/)</a></p> <p>Contacts section - Minoan website  <a href="http://www.minoangroup.com/contact-us/">(http://www.minoangroup.com/contact-us/)</a></p>
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			RNS, should shareholders wish to communicate with the Board.	
3	<p>Take into account wider stakeholder and social responsibilities and their implications for long term success.</p> <p>Good governance includes the Board considering the Group's impact on society, the community and the environment.</p>	Fully compliant	<p>The environmental impact of the Group's activities, in particular the Project, is carefully considered and the maintenance of high environmental standards is a key priority (see also 8 below).</p> <p>The Board maintains a dialogue as appropriate with the Foundation responsible for the Project, the relevant departments in the Greek Government plus the Group's advisers in Greece.</p> <p>The Board also maintains a constant dialogue with stakeholders by means of meetings and telephone conversations on a regular basis and will act on any feedback therefrom it considers relevant. In the past, comments received from stakeholders regarding the contents/layout of the Company's website and also the information provided in its announcements have been</p>	<p>Chairman's Statement - Report and Financial Statements - Minoan website - Investor Information - Financial and Regulatory Documents  <a href="http://www.minoangroup.com/investor-information/minoan-aim-info/">(http://www.minoangroup.com/investor-information/minoan-aim-info/)</a></p>

			acted upon by the Board if considered to be in the best interests of stakeholders and other interested parties.	
4	Embed effective risk management, considering both opportunities and threats, throughout the organisation	Fully compliant	<p>The principal risks faced by Minoan (see also 1 above) are addressed by the appointment of an experienced executive Chairman supported by a group of experienced non-executive directors and a team of highly qualified professional advisers.</p> <p>The Board is provided with detailed reports of the Minoan's financial performance on a regular basis by the Group Company Secretary, W Cole, who is also a director of Loyalward Limited and who is responsible for all accounting and financial reporting functions.</p> <p>The Audit Committee (see 9 below) reviews and approves the control and reporting procedures currently in place.</p>	<p>About section - Minoan website - Board of Directors (<a href="http://www.minoangroup.com/about-us/board-of-directors/">http://www.minoangroup.com/about-us/board-of-directors/</a>)</p> <p>Investor Information section - Minoan website - Advisers (<a href="http://www.minoangroup.com/investor-information/advisers/">http://www.minoangroup.com/investor-information/advisers/</a>)</p>
5	<p>Maintain the Board as a well-functioning balanced team led by the chair.</p> <p>The Board must not be so large as to prevent</p>	Fully compliant	<p>The Board consists of the Chairman (see above) and three non-executive directors, Barry Bartman, Grahame Cook</p>	<p>Report and Financial Statements - Minoan website - Investor Information - Financial and Regulatory Documents (<a href="http://www.minoangroup.com/investor-">http://www.minoangroup.com/investor-</a></p>

	<p>efficient operation but must not be too small to be ineffective.</p> <p>The Board should be balanced between executive and non-executive directors and should have at least two independent non-executive directors.</p>		<p>and Tim Hill. Board meetings are normally held monthly. All directors are able to commit the time necessary to fulfil their roles.</p> <p>The Chairman is full time and the three non-executive directors are part time. Whilst the non-executive directors are not required to work a specific number of hours each is always able to commit the time necessary to fulfil his role.</p> <p>During the last year there have been 13 board meetings.</p> <p>The attendance record of the current directors at those meetings is as follows:</p> <p>Christopher Egleton - 13  Barry Bartman - 13  Grahame Cook - 12  Tim Hill - 12</p> <p>There has also been a single meeting of both the Audit Committee and the Remuneration Committee (see 9 below), both of which were attended by all three non-</p>	<p><a href="#">information/minoan-aim-info/</a></p> <p>About section - Minoan website - Board of Directors  <a href="http://www.minoangroup.com/about-us/board-of-directors/">(http://www.minoangroup.com/about-us/board-of-directors/)</a></p>
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		<p>executive directors.</p> <p>The Chairman is closely involved in the day to day operations of Minoan and the operating subsidiaries and reports to the Board in detail on a regular basis.</p> <p>Minoan's three non-executive directors are independent and the Board is not dominated by one person or group of people.</p> <p>Non-executive directors have a contractual right to external advice, at Minoan's expense, when necessary.</p> <p>When considering the independence of directors, the Company gives regard to the overall effectiveness and independence of the contribution made by directors to the Board and does not consider a director's period of service in isolation to determine independence.</p> <p>The Board reviews/evaluates its performance on a regular</p>	
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			<p>basis (see 7 below).</p> <p>All directors are submitted for re-election at regular intervals subject to continued satisfactory performance. The Board will, where possible, ensure planned and progressive refreshing of the Board.</p> <p>The model code for directors' and applicable employees' share dealings appropriate for an AIM company has been adopted and Minoan takes all reasonable steps to ensure compliance (AIM Rule 21 in relation to directors' dealings).</p>	<p>Model Code for Directors' Dealings</p>
6	<p>Ensure that between them the directors have the necessary up-to-date experience and capabilities.</p> <p>The Board must have an appropriate balance of functional and sector skills and experience.</p>	Fully compliant	<p>The directors who have been appointed to the Board have been chosen because of their skills, diversity and the considerable relevant experience they offer.</p> <p>Minoan considers that the directors, particularly the non-executive directors, are of sufficient competence and calibre to add strength and objectivity to its activities and</p>	<p>About section - Minoan website - Board of Directors</p> <p><a href="http://www.minoangroup.com/about-us/board-of-directors/">(http://www.minoangroup.com/about-us/board-of-directors/)</a></p>

			<p>that the Board as a whole has a wealth of experience that Minoan deems to be more than adequate to lead the Group. As a result, it is not considered necessary for the directors to refresh their skills on an ongoing basis.</p> <p>All directors are identified elsewhere on Minoan's website together with their CV's, which provide an insight into each director's areas of expertise.</p> <p>The Board is supported by the Audit and Remuneration Committees (see 9 below).</p> <p>The Board and its committees will also seek external advice where required.</p>	
7	<p>Evaluate Board performance based on clear, relevant objectives, seeking continuous improvement.</p> <p>The Board should periodically review its performance as well as the performance of its board committees and the performance of individual board members</p>	Fully compliant	<p>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</p>	

		<p>fulfil its responsibilities.</p> <p>The goal of the evaluation process is to identify and address opportunities for improving the performance of the Board and to solicit honest, genuine and constructive feedback.</p> <p>The Board considers the evaluation process is best carried out internally at the Group's current size.</p> <p>The evaluation process is undertaken by the Board as a whole on an annual basis but, in particular, with the non-executive directors plus the Chairman being responsible in ensuring the evaluation process is "fit for purpose" as well as dealing with matters raised in the process.</p> <p>The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board.</p> <p>The Audit and Remuneration</p>	
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			<p>Committees, which are manned by the non-executive directors, meet at least once a year at different times and in accordance with their terms of reference (see 9 below) review the performance of the executive directors by reference to the decisions/progress made in respect of the Group's activities.</p>	
8	Promote a corporate culture which is based on ethical values and behaviours	Fully compliant	<p>The Group endeavours to conduct its business in an ethical, professional and responsible manner, treating its employees, customers, suppliers and partners with equal courtesy and respect at all times.</p> <p>The Group has demonstrated its social responsibilities through its iterative approach to the evolution of the Project, which has involved a transparent process and extensive consultation with stakeholders.</p> <p>The Project design embraces the principles of the five capitals of sustainable</p>	<p>Strategic Report - Report and Financial Statements - Minoan website - Investor Information - Financial and Regulatory Documents  <a href="http://www.minoangroup.com/investor-information/minoan-aim-info/">(http://www.minoangroup.com/investor-information/minoan-aim-info/)</a></p>

			<p>development (i.e. natural, human, social, manufactured and financial) to ensure that all related matters have been taken into account. Thus the more usual concerns related to the protection of the environment, flora, fauna, hydrogeology and the ecology generally have drawn in considerations of wider issues including social, cultural, human and economic matters as well as those related to the extensive use of renewable energy and many other items contributing to a healthy carbon footprint. The project is strictly focused on the long term restoration and preservation of the environment as a whole and puts in place a sustainable management plan, involving local representatives and experts, to ensure a robust, pro-active management system is implemented aimed at protecting the area for future generations.</p>	
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9	<p>Maintain governance structures that are fit for purpose and support good decision-making by the Board</p> <p>The Group should determine governance structures and processes appropriate to it based on:</p> <ul style="list-style-type: none"> <li>• corporate culture;</li> <li>• size;</li> <li>• the capacity and appetite for risk and the tolerances of the Group; and</li> <li>• business complexity</li> </ul>	Fully compliant	<p>Minoan recognises the importance of high standards of Corporate Governance and the Board has sought to address the matter in a proportionate way having regard to the size and resources of Minoan.</p> <p>As well as taking overall responsibility for the Group’s affairs, the Chairman is largely responsible for raising working capital as required (see 1 above). The Chairman is also directly responsible for the advancement of the Project and is based mainly in the Group’s offices in Greece and Crete.</p> <p><b><u>Board Committees</u></b></p> <p>The Board is responsible for all day to day matters in running the Group together with deciding on matters for the future (see also 9 below).</p> <p>The Board is supported by two principal long established committees of the Board - the Audit Committee and the</p>	<p>Investor Information - Financial &amp; Regulatory Documents  <a href="http://www.minoangroup.com/investor-information/minoan-aim-info/">(http://www.minoangroup.com/investor-information/minoan-aim-info/)</a>.</p>
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			<p>Remuneration Committee. These committees meet at least once a year and report directly to the Board.</p> <p><b><u>Audit Committee</u></b></p> <p>The Audit Committee comprises the non-executive directors and is chaired by Grahame Cook.</p> <p>The Terms of Reference of the Audit Committee are set out in the Investor Information section of the Minoan website.</p> <p>They are:</p> <ul style="list-style-type: none"><li>• To ensure shareholder confidence and the credibility and objectivity of published financial information.</li><li>• To assist the Board in meeting its financial reporting responsibilities.</li><li>• To assist the Board in ensuring the effectiveness of</li></ul>	
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			<p>Minoan's internal accounting and financial controls.</p> <ul style="list-style-type: none"><li>• To strengthen the independent position of Minoan's external auditors by providing channels of communication between them and the non-executive directors.</li><li>• To review the performance, independence and objectivity of Minoan's external auditors.</li></ul> <p><b><u>Remuneration Committee</u></b></p> <p>The Remuneration Committee comprises the non-executive directors and is chaired by Grahame Cook. Although not a member of the Committee, and for matters not related to his own remuneration package, the Committee would usually consult the Chairman on proposals relating to the remuneration</p>	
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			<p>of the Group's senior management team.</p> <p>The Terms of Reference of the Remuneration Committee are set out in the Investor Information section of the Minoan website.</p> <p>They are:</p> <ul style="list-style-type: none"><li>• To ensure that Minoan's directors and senior executives are fairly rewarded for their individual contributions to Minoan's overall performance by determining their pay and other remuneration.</li><li>• To demonstrate to all shareholders that the remuneration of the senior executive members of Minoan is set by a committee of the Board members who have no personal interest in the outcome of the</li></ul>	
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			<p>decisions and who will give due regard to the interests of the shareholders and to the financial and commercial health of Minoan.</p> <p>The directors of Loyalward Limited and Loyalward Hellas S.A. make decisions on the day to day running of those companies, however, the Board is responsible for all policy decisions affecting the Group and its activities both financial and procedural and will decide/act at it sees fit upon recommendations received from the directors of both those companies, any recommendations received from the Audit and the Remuneration Committees plus financial and other information as provided to it (see also 9 above).</p>	
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Fully compliant	The Board holds regular meetings with larger shareholders and acts on any feedback it receives that it considers relevant.	

		<p>The Board regards the Annual General Meeting as a good opportunity to communicate directly with shareholders via an open question and answer session (see above).</p> <p>The notices of its most recent General Meetings and the results of those meetings may be found on Minoan’s website.</p> <p>Minoan lists contact details on its website and on all announcements released via RNS, should shareholders wish to communicate with the Board, as some do.</p> <p>The current intention is that in future reports from both the Audit Committee and the Remuneration Committee (see 9 above) will appear in the Group’s Report and Financial Statements.</p>	<p>Investor Information - Financial &amp; Regulatory Documents  <a href="http://www.minoangroup.com/investor-information/minoan-aim-info/">(http://www.minoangroup.com/investor-information/minoan-aim-info/)</a></p> <p>Investor Information - Financial &amp; Regulatory Documents  <a href="http://www.minoangroup.com/investor-information/minoan-aim-info/">(http://www.minoangroup.com/investor-information/minoan-aim-info/)</a></p> <p>Company Announcements section - Minoan website  <a href="http://www.minoangroup.com/company-announcements/">(http://www.minoangroup.com/company-announcements/)</a></p>
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