

## Corporate Governance Report

Annual Report and Financial Statements  
FOR THE YEAR ENDED 31 DECEMBER 2023

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The Company's shares are traded on AIM and on 28 August 2018, the Company formally adopted the QCA Corporate Governance Code and this is reproduced below. The Board is accountable to the Company's shareholders for good corporate governance. This report and the Remuneration Report describe how the Company applies the provisions of good corporate governance.

### Directors

The Board currently consists of two Directors whilst it is seeking investment opportunities. It is responsible for approving Company policy and strategy and for implementing it with support from consultants. The Directors will review the composition of the Board on a regular basis and are seeking to appoint another independent non-executive director to replace John May following his retirement. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

### Relations with shareholders

The Company values the views of its shareholders and recognises their interest in the Company's strategy and performance. The Annual General Meeting is used to communicate with investors and they are encouraged to participate and the Directors are available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration.

### Audit Committee

During the year the Audit Committee comprised John May (until he retired in March 2024) and David Palumbo. The Committee has met with the auditor and considered the results and the audit process, and has satisfied itself as to the auditor's independence during the year.

### Remuneration Committee

During the year the Remuneration Committee comprised John May and David Palumbo. The policy of the Company on remuneration is to reward individual performance so as to promote the best interests of the Company and enhance shareholder value. The remuneration of Directors is approved by the Board. Individual Directors do not participate in decisions concerning their own remuneration.

### Internal control

The Board is committed to the maintenance of effective internal controls. The Board recognises its responsibility for maintaining a strong system of internal control to safeguard shareholders' investment and the Company's assets and for reviewing its effectiveness. The system of internal financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has determined that there is currently no requirement for an internal audit function whilst it is undertaking its current activities. However, the Directors will continue to review the requirement for an internal audit function on a regular basis.

### Compliance with Governance Code

The Board of Directors of Mindflair PLC ("Mindflair" or "the Company") is committed to developing and applying high standards of corporate governance. The Board of Directors has applied the QCA Code, revised in April 2018 as devised by the Quoted Companies Alliance. An update to the Code will apply to financial reports beginning on or after 1 April 2024.

The Quoted Companies Alliance is the independent membership organisation that champions the interests of small to mid-size quoted companies. The QCA Code takes key elements of good governance and applies them in a manner which is workable for the different needs of growing companies.

A revised version of the QCA Code (the "Revised Code") was published in April 2018, based on the 'comply or explain' principle.

The QCA Code is constructed around ten broad principles (accompanied by an explanation of what these principles entail, under 'application') and a set of disclosures. The Code states what is considered to be appropriate arrangements for growing companies, and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures.

The table below sets out the principles, the application recommended by the QCA code. It then sets out how the Company complies with these requirements and departures from code, and provides links to appropriate disclosures. These are based upon the recommended disclosures provided in the QCA code.

These disclosures were last reviewed on 18 June 2024.

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Principles:	Applications:
<p>1. Establish a strategy and business model which promote long-term value for shareholders</p>	<p>The Company is an Investing Company and the Board has adopted a strategy appropriate for its status. The Company's Investing Policy is to invest principally, but not exclusively, in technology sectors. The Company will consider investments in the United Kingdom, Ireland and mainland Europe more generally but will also consider investments in wider geographical regions. The Company may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings. Once a target has been identified, additional funds may need to be raised by the Company to complete a transaction.</p> <p>The proposed investments to be made by the Company may be in either quoted or unquoted securities made by direct acquisition and may be in companies, partnerships, funds or joint ventures; or direct interests in projects and can be at any stage of development. The Company's equity interest in a proposed investment may range from a minority position to 100 per cent. ownership.</p> <p>The Company will identify and assess potential investment targets and where it believes further specialist investigation is required, it intends to appoint appropriately qualified advisers to assist.</p> <p>The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of any potential investment will be subject to rigorous due diligences, as appropriate. It is likely that the Company's financial resources will be invested in a small number of projects or investments or potentially in an investment which may be deemed to be a reverse takeover under the AIM Rules. Where this is the case, it is intended to mitigate risk by undertaking an appropriate due diligence process. Any transaction constituting a reverse takeover under the AIM Rules will require shareholder approval. The possibility of building a broader portfolio of investment assets will also be considered.</p> <p>The Company intends to deliver shareholder returns principally through capital growth rather than capital distribution via dividends. Given the nature of the Company's Investing Policy, the Company does not intend to make regular disclosures or calculations of net asset value.</p> <p>The Directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence of prospective opportunities. The Directors will also consider appointing additional directors with relevant experience if the need arises.</p> <p>The objective of the Directors is to generate capital appreciation and any income generated by the Company will in the first instance be applied to cover costs or will be added to the funds available to further implement the Investment Policy. However, they may recommend or declare dividends at some future date depending on the financial position of the Company.</p>
<p>2. Seek to understand and meet shareholder needs and expectations</p>	<p>The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.</p> <p>In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.</p> <p>Investors also have access to current information on the Company through its website, <a href="http://www.mindflair.tech">www.mindflair.tech</a></p>

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<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success</p>	<p>The Board recognises that the long-term success of the Company is reliant upon the efforts of its directors. The Company does not currently have any other employees, and it is also reliant upon its contractors, suppliers and regulators.</p> <p>The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships.</p> <p>For example, the Board ensures that all key relationships with, for example, customers and suppliers are the responsibility of, or are closely supervised by, one of the directors or the Company's accountant.</p>																				
<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>In addition to its other roles and responsibilities the Audit Committee (see composition details in Corporate Governance section of website) is responsible to the Board for ensuring that procedures are in place, and are being effectively implemented to identify, evaluate and manage the significant risks faced by the Company.</p> <p>The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place.</p> <p>This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis.</p> <p>The following principal risks, and controls to mitigate them, have been identified:</p> <table border="1" data-bbox="507 1048 1481 1686"> <thead> <tr> <th>Activity</th> <th>Risk</th> <th>Impact</th> <th>Control(s)</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>Recruitment and retention of key staff</td> <td>Reduction in operating capability</td> <td>Stimulating and safe working environment. Balancing salary with longer terms incentive plans.</td> </tr> <tr> <td>Regulatory adherence</td> <td>Breach of rules or product requirements</td> <td>Censure or withdrawal of authorization</td> <td>Strong compliance regime</td> </tr> <tr> <td>Strategic</td> <td>Damage to reputation inadequate disaster recovery procedures</td> <td>Inability to secure new customers. Loss of key operational and financial data</td> <td>Effective communications with shareholders. Secure off-site storage of data</td> </tr> <tr> <td>Financial</td> <td>Liquidity, market, and credit risk.</td> <td>Inability to continue as going concern.</td> <td>Robust financial controls and procedures in place.</td> </tr> </tbody> </table> <p>The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. In addition, there are a range of Company policies that are reviewed at least annually by the Board. These policies cover matters such as share dealing and insider legislation. The Board currently takes the view that an internal audit function is not considered necessary or practical due to the size of the Company and due to the close day to day monitoring control exercised by the Directors. However, the Board will continue to monitor the need for an internal audit function.</p>	Activity	Risk	Impact	Control(s)	Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment. Balancing salary with longer terms incentive plans.	Regulatory adherence	Breach of rules or product requirements	Censure or withdrawal of authorization	Strong compliance regime	Strategic	Damage to reputation inadequate disaster recovery procedures	Inability to secure new customers. Loss of key operational and financial data	Effective communications with shareholders. Secure off-site storage of data	Financial	Liquidity, market, and credit risk.	Inability to continue as going concern.	Robust financial controls and procedures in place.
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	<p>The annual review of internal control and financial reporting procedures did not highlight any issues warranting the introduction of an internal audit function. It was concluded, given the current size and transparency of the operations of the Company, that an internal audit function was not required.</p> <p>As noted in the Strategic Report in the Annual Report, the Board regularly reviews operating and strategic risks and considers in such reviews financial and non-financial information including:</p> <ul style="list-style-type: none"> <li>• a review of the business at each Board meeting, focusing on any new decisions/risks arising;</li> <li>• the performance of investments;             <ul style="list-style-type: none"> <li>• selection criteria of new investments;</li> <li>• and reports prepared by third parties.</li> </ul> </li> </ul>
<p>5. Maintain the board as a well-functioning balanced team led by the chair</p>	<p>During the period, the Board comprised, Nicholas Lee, who has key responsibility for the day to day management of the Company and two other Directors, John May (until he retired in March 2024) and David Palumbo as independent non-executive directors.</p> <p>The Board is assisted by Robert Porter with respect to financial accounting and as Company Secretary.</p> <p>The time commitment formally required by the Company is an overriding principal that each director will devote as much time as is required to carry out the roles and responsibilities that the director has agreed to take on. Biographical details of the current directors are set out within Principle Six below.</p> <p>Directors are subject to re-election intervals as prescribed in the Company's Articles of Association.</p> <p>At each Annual General Meeting one-third of the Directors, who are subject to retirement by rotation shall retire from office. They can then offer themselves for re-election. The letters of appointment of all directors are available for inspection at the Company's registered office during normal business hours.</p> <p>The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.</p> <p>They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.</p> <p>The Board meets as regularly as necessary given its AIM status. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Board is seeking a replacement for John May who will join the Remuneration and Audit Committees.</p> <p><b>Board Meetings</b></p> <p>The Board retains full control of the Company with day-to-day operational control delegated to Directors. The full Board meets on occasions it considers necessary.</p> <p>The Directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of suitable investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence of prospective opportunities. The Directors will also consider appointing additional directors with relevant experience if the need arises.</p>

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	<p>During 2023 there have been 4 board meetings and the Audit and Remuneration Committees have met on 1 occasion respectively.</p> <p>Attendance of the board meeting is set out below:</p> <p>David Palumbo 4/4 John May 4/4 Nicholas Lee 4/4</p> <p>As at the date of the annual results the Company did not have two independent non-executive directors which it is seeking to rectify.</p>
<p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The Board currently comprises of two directors and, in addition, the Company uses the services of Robert Porter for ad hoc financial accounting and advisory services and also to act as Company Secretary.</p> <p>Nicholas Lee, is not considered to be independent as he is a director of Riverfort Global Opportunities plc that has a Substantial Shareholding (13.9%) in Mindflair.</p> <p>David Palumbo is currently the Company's only independent non-executive director.</p> <p>Nicholas Lee – Director</p> <p>Nicholas has more than 25 years of experience in international investment banking and working as a company director. Nicholas was with Dresdner Kleinwort and its antecedent firms from 1988 to 2009, starting at Kleinwort Benson Group plc and rising to Managing Director, Head of Banking, Hedge Fund Solutions Group. Previously as a Managing Director in mergers and acquisitions at Dresdner Kleinwort Wasserstein, Nicholas advised leading companies from a number of different industries, including the natural resources, financial services, consumer and retail sectors. Nicholas is currently a director of a number of listed companies. Nicholas qualified as a chartered accountant with Coopers &amp; Lybrand and has an MA in engineering from St John's College, Cambridge.</p> <p>David Palumbo – Director</p> <p>David is currently the Chief Executive Officer of AIM-listed EQTEC plc ("EQTEC"), a leading gasification technology solutions company for sustainable waste-to-energy projects, having joined EQTEC's board in August 2019. Since becoming Chief Executive Officer, EQTEC's valuation has increased significantly, and the company now has a market capitalisation of over £19 million. David is an experienced entrepreneur with over 20 years of experience in private equity, venture capital and asset management. Since 2006, he has founded and co-founded a number of companies in various industries such as cleantech, digital technology, and real estate. David is also the Founding and Managing Partner of Origen Capital LLP, a private investment firm representing family offices and private consortia in Europe, CIS and Latin America. He holds a BSc and an MSc in electrical engineering.</p>
<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>Evaluation of Board Performance:</p> <p>Internal evaluation of the Board, the Committees and individual directors is important and will develop as the status of the Company changes in the future. The expectation is that board reviews will be undertaken on annual basis in the form of peer appraisal, questionnaires and discussions to determine the effectiveness and performance in various areas. The Company currently has Nicholas Lee in an executive capacity.</p> <p>Nicholas Lee is currently the person responsible for guiding the business of the Board and ensuring long-term strategic focus and investments. The QCA Code recommends that this role should be undertaken as a non-executive role.</p> <p>As the Company develops and grows, it is committed to strengthen and reorganise the Board with the appointment of further experienced directors in order to maintain appropriate balance.</p>

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<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>Corporate Culture:</p> <p>The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company.</p> <p>The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole. The Company does not currently have any other employees.</p> <p>Therefore, the importance of sound ethical values and behaviour is crucial to the ability of the Company to successfully achieve its corporate objectives.</p> <p>The Board places great importance on this aspect of corporate life and seeks to ensure, through regular discussions between all directors, that this flows through all that the Company does.</p> <p>The Board assessment of the culture within the Company at the present time is one where there is respect for all individuals, there is open dialogue within the Company and there is a commitment to best practice operations.</p> <p>The Board is able to ensure ethical behaviour and values are recognised and respected through its due diligence process when directing the investing strategies of the Company. All investment decisions are made in furtherance of the Company’s strategy and business model.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>Maintain Appropriate Governance Structures and Processes:</p> <p>The Board schedule provides for quarterly meetings and, in addition, meets ad-hoc as required. Similarly for the Audit and Remuneration Committees.</p> <p>Notwithstanding the above the Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion.</p> <p>Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company’s management.</p>
<p>10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders.</p> <p>A range of corporate information (including all Company announcements and presentations) is also available to shareholders, investors and the public on the Company’s corporate website, <a href="http://www.mindflair.tech">www.mindflair.tech</a></p>

Nicholas Lee  
**Director**  
26 June 2024