

**Corporate Governance**

The Directors are committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company’s size and nature, to comply with the QCA Code.

The Board is mindful that its composition does not comply with the QCA Guidelines, in particular in that there is only one independent non-executive director.  The Board is of the view that an additional independent non-executive director is unnecessary given the size of the Company, but will consider appointing an additional independent non-executive director in due course if appropriate.

The Group has established a remuneration committee (the “Remuneration Committee”) and an audit committee (the “Audit Committee”) with formally delegated duties and responsibilities. The Remuneration Committee comprises Lindsay Mair as Chairman and David Horner, and will meet not less than twice each year. The committee is responsible for the review and recommendation of the scale and structure of remuneration for management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Enlarged Group.

The Audit Committee comprises Lindsay Mair, as Chairman, and David Horner, and will meet not less than twice a year. The committee is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Enlarged Group.

The Company has established a conflict of interest policy, which is consistent with the terms of the Relationship Deed, referred to below, and which ensures that any potential transaction or investment by Macaulay Capital is approved by the Independent Non-Executive Director(s) and the Company’s AQSE Corporate Adviser.

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the AQSE Growth Market. This will constitute the Company’s share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation and Rule 4.1 of the AQSE Exchange Rules. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993 will apply to the Company and to dealings in Ordinary Shares.

The Company has implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants comply with the UK Bribery Act 2010. The Directors have established financial controls and reporting procedures, which are considered appropriate given the size of and structure of the Company. These controls will be reviewed in light of an investment or acquisition and adjusted accordingly.

The Horner Family Concert Party will, on Admission, be the registered holders of 2,100,000 Ordinary Shares (of which David Horner will be beneficially interested in 50,000 such shares), representing 21 per cent. of the total number of votes capable of being cast on a poll at general meetings of the Company. The Company, Cairn and David Horner have entered into the Relationship Deed which regulates the relationship between them to ensure that: (i) the Company will be capable at all times of carrying on its business independently of David Horner and the Horner Family Concert Party; and (ii) all transactions and relationships between the Company and the members of the Horner family Concert Party are on an arm's length basis.

Given the Company’s size, it has not yet developed a corporate and social responsibility policy. One will be put in place at the appropriate time.