



Corporate Governance Statement

Planning for the future

“The Board is strongly focused on promoting a positive and dynamic corporate culture for the benefit of all its stakeholders.”

Board objectives 2017

- Maintain strategic vision while developing a strong and resilient organisation;
- Focus on succession planning at Board and senior level to ensure the right mix of skills, experience and diversity to support our longer term vision; and
- Develop our corporate culture agenda, improving communication of our shared vision and values.

What we achieved

Since September 2017, Catenae Innovation plc (previously, Milestone Group plc) (the **“Company”**) has been through a transformation both in terms of the Company’s management and also in its strategic focus. The Board has been working on streamlining the various business units as can be seen by the 50% reduction in costs compared to the same period last year. The Company is now well positioned to focus on creating revenues from the products and services available to the Company, particularly those utilising blockchain technology in the digital media and fintech markets.

Some of the main highlights since September 2017 have been:

- Change of name to Catenae Innovation Plc;
- Strategy revised to focus on distributed ledger (DLT/MDL) and blockchain technology based services to the digital media and fintech markets;
- Greatly reduced costs through streamlining and restructuring of the business;
- Signed Joint Venture with Martin Heath to form Trust in Media;
- Post period-end:
 - Trust in Media signs first agreement for Fanbase service with its associated revenues
 - Memorandum of Understanding signed for the acquisition of Tribe of Noise
 - Trust in Media creates and launches first blockchain product to the music industry
 - Proof of concept agreement signed for Trust in Media’s blockchain solution
 - Proof of concept agreement signed by Aston Villa for OnsidePro
 - Revenues received from both new and legacy product areas
- Further strengthened the Board through the appointment of Guy Meyer as Director of Business Development;
- Appointment of Tony Sanders to the permanent position of Chief Executive Officer (previously appointed as interim CEO);

Key themes for 2018

- Ensure diversity principles are fully incorporated into recruitment process at Board and senior management level; development of recruitment and promotion strategies to support greater diversity (e.g. gender, ethnicity, age), as well as company culture and values;
- Review risk appetite and mitigation strategies in relation to significant external risks (e.g. economic downturn, impact of Brexit);
- Consider the Board’s responsibilities to all stakeholders: review Board performance and priorities with these in mind. Ensure that the business contribution to wider society is fully understood and communicated; and
- Develop an employee engagement programme that reflects new corporate governance guidance and requirements and supports the Group’s culture and values, helping to embed good practice.

Dear Shareholder

The Corporate Governance Statement, together with the Reports of the Audit, Nomination and Remuneration Committees explain how Catenae Innovation plc (**“the Company”**) governance framework works and how we apply the principles of business integrity, high ethical values and professionalism in all our activities. As a Board, we recognise that we are accountable to shareholders for good corporate governance, and we seek to promote consistently high standards of governance throughout the Group that are recognised and understood by all.

Good governance

Good governance depends on good and effective leadership and a healthy corporate culture, supported by robust systems and processes and a good understanding of risk and risk appetite. Your Board has continued throughout the year to engage with shareholders and other stakeholders, to maintain constructive dialogue and challenge and to focus on strategy and value.

As a Board, we keep abreast of developments in good governance and practice and is expected to lead to greater transparency and responsible corporate behaviour, which we fully support. The Board spent time on evaluating the Company's culture and values, recognising that a healthy corporate culture will both protect and generate value. The Board has a leading role in fostering and influencing the positive culture and values of the Group by ensuring a consistency of approach and message from the top. The work of our Board demonstrates our commitment to openness and accountability, acknowledging the value of diversity and good succession planning, how we align reward with our values and strategy and how as an organisation we seek to embed our values across the business, while also recognising that there is further work to do.

Board evaluation

Earlier in 2018, the Board carried out an evaluation of its performance led by the Chairman. This concluded that the Board composition continued to be appropriate for the business, with a good balance of skills and experience, ensuring a well balanced and effective Board with a clear and inclusive strategy and a high degree of respect and trust at individual and collective level.

However, one important element in the execution of the revised strategy was to ensure we had the right management team to ensure the appropriate skills sets were in place for our future long-term vision. The Company therefore made the following appointments:

- Martin Heath of Trust in Media Ltd – Music Industry Specialist – March 2018
- Alan Simpson CTO Catenae Innovation Plc – Technology specialist - May 2018
- Tony Sanders CEO Catenae Innovation Plc, previously appointed Interim CEO – May 2018

As announced on 18 May 2018, it is anticipated that Hessel von Oorshott of the proposed acquisition of Tribe of Noise will become a member of the management team when the acquisition is finalised.

Diversity

The Company's policy is that no employee or job applicant will be treated less favourably on the grounds of race, colour, nationality, ethnic or national origin, gender (including gender reassignment), pregnancy, marital or civil partner status, sexual orientation, religious belief, age or disability, or on any other grounds which cannot be justified on job-related terms. We do not discriminate on grounds of age, gender or background, and we are committed to equality within our business and in our dealings with other organisations. These policy principles are supported by our Code of Conduct.

The Board is committed to achieving diversity in the widest sense. We ensure that briefs to external recruitment agencies and search consultants are aimed at improving diversity ratios and balance both at Board and senior management level and more widely within the business, while also reflecting the changing strategic needs of the Group. We will continue to support positively opportunities for talented individuals regardless of gender, ethnicity, age or social background.

As a Board, we are fully engaged with the initiatives within the business in this area, although we recognise that there is much work to do to achieve true gender balance and greater diversity. The Remuneration Report contains details of our gender ratios and gender pay gap data, and the Nomination Committee report explains in more detail how we implement our policy and how we aim to achieve improvements.

The UK Corporate Governance Code

This Corporate Governance Statement, which is part of the Directors' Report, has been prepared in accordance with the principles of the Quoted Companies Alliance's ("**QCA**") Corporate Governance Code (revised in April 2018) (the "**Code**"). Further particulars of how we apply and comply with the Code are set out on the Company's website.

The Company is supportive of the changes that will result from the application of the Code. The Board has carried out a review of how the Code principles have been applied, together with the processes and procedures adopted by the Company to support the Code. The Board considers that the Company has complied with the relevant provisions of the Code throughout the year in all material respects. I can also confirm that in the opinion of the Directors the Annual Financial Statements present a fair, balanced and understandable assessment of the Company's position and prospects and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy. The respective responsibilities of the Directors and the Auditor in connection with the Financial Statements are explained in the Statement of Directors' Responsibilities and the Auditor's Report.

Tony Sanders

Chairman & Chief Executive Officer

27 September 2018