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CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT

Overview

As Chairman of the Board of Directors of Minds + Machines Limited (**MMX,** or the **Company/Group** as the context requires), it is my responsibility to ensure that MMX has both sound corporate governance and an effective Board. As Chairman of MMX my responsibilities include leading the Board effectively, overseeing the Company's corporate governance model, communicating with shareholders, and ensuring that good information flows freely between Executives and Non-Executives in a timely manner.

MMX has decided to adopt the Quoted Companies Alliance Corporate Governance (**QCA Code**) and, as such, this report follows the structure of these guidelines and explains how we have applied the guidance. The Board does not have a balanced board per the QCA Guidelines due to a lack of independent Non-Executive Directors as outlined in principal 5 below, however in the last year the Board has appointed Bryan Disher as a Non-Executive Director, which was announced on 3 April 2019. Each director uses their judgement and challenges matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively. Board composition is described in further detail at principal 5 below.

We will provide annual updates on our compliance with the QCA Code in our Annual Report and Accounts. The Board considers that the Group complies with the QCA Code so far as it is practicable, save as otherwise outlined, having regard to the size, nature and current stage of development of the Company, and will disclose any areas of non-compliance in the text below. MMX understands that the application of the QCA Code supports the Company's medium to long-term success, whilst simultaneously managing risks and provides an underlying framework of commitment and transparent communications with stakeholders.

Key changes to the corporate governance arrangements in the last year include the appointment of Bryan Disher as an independent Non-Executive Director, who has taken over the Chair of the Audit Committee and joined the Remuneration Committee.

QCA Principles

1. Establish a strategy and business model which promotes long-term value for shareholders

The Board believes that long-term value can be delivered to its shareholders through a process that has three key tenets:

1. To continue to drive profitable growth through operational efficiencies and organic business development initiatives within the current top-level domain (TLD) portfolio;
2. To accelerate scale and earnings through strategic acquisitions; and
3. Looking to drive revenue through innovative uses of domain names.

Future developments to provide for long-term growth are outlined on page 8 of the 2018 Annual Report. The 2018 Annual Report is available here: 2018 MMX Annual Report.

The Company intends to deliver shareholder returns through capital appreciation and, when appropriate, distribution via dividends. Challenges to delivering capital appreciation is uncertainty in relation to the market for gTLDs, technological dependence and dependence on 3rd parties, although the Board takes steps to mitigate these risks. Further challenges to MMX's strategy and long-term goals are highlighted in the Risk Management section below.

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2. Seek to understand and meet shareholder needs and expectations

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements as well as providing communications through our Interim and Annual Reports, to ensure that existing and potential investors and contacts can keep track of the Company and its progress. We also use the Company's website, mmx.co, for both financial and general news relevant to shareholders.

The Executive Directors act as liaisons for shareholders and meet shareholders and other investors/potential investors regularly within the results cycle, and the whole Board aims to attend the AGM. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation. The only resolution at 2018 AGM was passed with 100% support. As is considered good practise, if an AGM resolution were to receive less than 80% support, the Board would seek to explain the reasoning behind its decision and take appropriate action where appropriate. The Board maintains regular contact with advisers/PR consultants in order to understand the views of major shareholders and the Chairman accompanies the Executives when requested to meet shareholders. In addition, the Company is open to receiving feedback from key stakeholders, and will take action where appropriate.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long-term success of the Company is reliant upon the efforts of employees, contractors, suppliers, and many other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources. The Company has close ongoing relationships with its suppliers and customers and provides them with the opportunity to raise issues and provide feedback. The Company conducts frequent stakeholder meetings, which broadens communication whilst simultaneously embracing influential customers and suppliers in the generic top-level domains industry, and helps determine Company perception. The Company prepares an annual strategic plan and detailed budget which considers a wide range of key resources and relationships including staffing, customers, registrars and distribution partners, and opportunities.

All employees within the Group are valued members of the team, and the Company is committed to promoting policies which ensure that high-calibre employees are attracted, retained and motivated, to ensure the ongoing success for the business. Employees and those who seek to work within the Group are treated equally regardless of sex, sexual orientation, marital status, creed, colour, race or ethnic origin.

The Company is aware of the potential impact that it and its subsidiary companies may have on the environment. The Company ensures that it, and its subsidiaries, at a minimum, comply with the local regulatory requirements and the revised Equator Principles with regard to the environment.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board recognises the need for an effective and well-defined risk management process and it oversees and regularly reviews the current risk management and internal control mechanisms. The 2018 Annual Report also outlines the key risks to the business, see pages 8-9. The Company maintains a risk register which is reviewed annually by the Audit Committee.

The Board has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems. The Board considers risk assessment to be important in achieving its strategic objectives, and so top-level risks are reviewed by the Board.

The risk assessment matrix below sets out and categorises some of the Company's key risks, and outlines the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them and the Board reviews these risks on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	**Risk**	**Impact**	**Control(s)**
Business and Market Risk	The market for gTLDs is uncertain, and technological markets are often fast moving and subject to changing trends.	The Group may fail to attract significant new customers, and consequently sales and revenue may decrease.	The Company regularly conducts market research to be aware of upcoming trends.
Business performance	Company may not perform as expected.	Adverse consequences could include reduced profit.	This risk is managed through a number of measures including appointing an appropriate management team, regular budget and business planning and financial controls.
Financial Risk	Adequate financial and business controls.	Error or fraud, leading to a loss in reputation, business partners and customers.	The Company exercises financial and business control through qualified and experienced financial personnel, budgeting and cash flow forecasting, amongst other measures.

An internal audit function is not considered necessary or practical due to the size of the Company and the day to day control exercised by the Executive Directors. However, the Board will monitor the need for an internal audit function. The Board has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

The Board regularly reviews the mechanisms of internal control it has implemented, assessing for effectiveness.

5. Maintain the Board as a well-functioning, balanced team led by the Chair

The Board comprises of the CEO, Toby Hall; the COO and CFO, Michael Salazar; two non-independent Non-Executives, Henry Turcan and Guy Elliott; and one independent Non-Executive, Bryan Disher. Henry Turcan and Guy Elliott are representatives of a significant shareholders and are not considered to be independent. Bryan Disher has no direct investment in the Company nor does he represent any shareholders. Bryan chairs the Audit Committee and sits on the Remuneration Committee. We recognise that there is currently a lack of diversity of the Board and will take into account the need for greater inclusivity when considering future nominations.

For transparency, the letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours. The Non-Executive Directors are expected to dedicate 18 days per annum to the Company.

Meetings are open and constructive, with every Director participating fully. Senior management can also be invited to meetings, providing the Board with a thorough overview of the Company. All Directors are encouraged to use their judgement and to challenge matters, whether strategic or operational, enabling the Board to discharge its duties and responsibilities effectively.

The Board meets at least 4 times in the year and a calendar of meetings and principal matters to be discussed is agreed at the beginning of each year. In order to be efficient, the Directors meet formally and informally both in person and by telephone. Board and Committee document authors are made aware of proposed deadlines, allowing board papers to be collated, compiled into a Board Pack, and circulated within sufficient time prior to each meeting, thus allowing time for full consideration and necessary clarifications before the meeting.

The Committees have the necessary skills and knowledge to discharge their duties effectively, though this is monitored on an ongoing basis. The Audit Committee has an independent chair, however the Remuneration Committee currently does not as its chair, Guy Elliot, has been deemed to be non-independent. The Board will continue to monitor the need for an independent chair of the Remuneration Committee on an ongoing basis.

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Non-Executive Directors have both a breadth and depth of skills and experience to fulfil their roles. The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of personal, commercial and professional skills, and notes the range of financial and marketing skills. The Non-Executive Directors meet without the presence of the Executive Directors during the year, and also maintain ongoing communications with Executives between formal Board meetings.

Biographical details of the Directors can be found here https://mmx.co/about/board-of-directors/.

In addition to their general Board responsibilities, Non-Executive Directors are encouraged to be involved in specific workshops or meetings, in line with their individual areas of expertise.

The Company has employed the services of Liam O'Donoghue of ONE Advisory Limited to act as the Company Secretary, who is responsible for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations governing its operation, as well as helping the Chairman maintain excellent standards of corporate governance. If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the cost of the advice will be reimbursed by the Company.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Directors consider that the Company and Board are not of a sufficient size for a full Board evaluation to make commercial and practical sense. In the frequent Board meetings/calls, the Directors can discuss areas where they feel a change would be of benefit for the Company, and the Company Secretary remains on hand to provide impartial advice. As the Company grows, it expects to expand the Board and, with the Board expansion, re-consider the need for Board evaluation.

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their terms of employment and remuneration, including short term bonus and long-term incentives (with targets consistent with the corporate strategy). The achievement of financial and non-financial targets/goals will also be taken into account by the Remuneration Committee in relation to recommendations to be made in respect of adjustments to executive remuneration.

Succession planning recommendations are made by the Board as a whole. As the Company grows, both organically and by acquisition, the executive management of the business will consequently increase and assist with succession planning.

8. Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that its 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. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders, and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

A large part of the Company's activities are centred upon an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that the Company has an open culture facilitating comprehensive dialogue and feedback, and enabling positive and constructive challenge.

The Group operates a whistleblowing policy to facilitate the reporting by employees of suspected misconduct, illegal acts or failure to act within the Group. The aim of this Policy is to encourage employees and others who have serious concerns about any aspect of the Group's work to come forward and voice those concerns.

The Group also promotes employee engagement and receives feedback from employees through employee commentary and reviews.

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016. The Directors seek to align their interests with shareholders and hold shares, options and Restricted Stock Units (**RSUs**) in the Company, as detailed below.

Name	*Ordinary Shares*	*% of Existing share capital*	*Options and RSUs*	*% of Existing share capital*
Toby Hall	500,000	0.05	21,000,000	2.27
Michael Salazar	1,975,050	0.21	21,000,000	2.27

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board is committed to, and ultimately responsible for, high standards of corporate governance, and has chosen to adopt the QCA Code. We review our corporate governance arrangements regularly and expect to evolve these over time, in line with the Company's growth. The Board delegates responsibilities to Committees and individuals as it sees fit, with the Chair being responsible for the effectiveness of the Board, and the Executive Directors being accountable for the management of the Company's business and are primary contacts with shareholders, clients and partners.

The Chair is responsible for the leadership of the Board and ensuring its effectiveness in all aspects of its role, including creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The Executive Directors are responsible for the day-to-day running of the business, as well as plans and budgets approved by the Board of Directors. The Executives also propose, implement and develop corporate strategy, as well as managing and overseeing management development and corporate responsibility.

The Non-Executive Directors are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

The Board has adopted the following matters which are reserved for the Board:

- responsibility for the overall management of the Group and for its strategic direction;
- approval of the Group's strategy;
- annual business plans and budgets;
- interim and full year financial statements and reports;
- investments or disposals;
- succession plans; and
- monitoring of financial performance against budget and forecast.

The Board delegates authority to two Committees to assist in meeting its business objectives, and the Committees meet independently of Board meetings.

<u>Audit Committee</u>

The Audit Committee has two members, Bryan Disher (Chairman) and Henry Turcan. The CFO and external auditors attend meetings by invitation. The Audit Committee is responsible for ensuring that the financial performance of the Group is properly monitored and reported on. The Audit Committee receives and reviews reports from management and the Company's auditors relating to the interim and annual accounts and keeps under review the accounting and internal controls which the Company has in place. The Audit Committee meets not less than twice each financial year.

The Audit Committee report for the year ended 31 December 2018 is available in the 2018 Annual Report.

<u>Remuneration Committee</u>

The Remuneration Committee has three members, Guy Elliott (Chair), Bryan Disher and Henry Turcan. Other members of the Board may attend the Committee's meetings at the request of the Committee Chair. The Remuneration Committee is responsible for making recommendations to the Board on Director and senior Executives' remuneration. The Remuneration Committee determines and reviews the terms and conditions of service of the Executive Directors and the Non-Executive Directors. The

Remuneration Committee will also review the terms and conditions of any proposed share incentive plans, to be approved by the Board and the Company's shareholders. The Remuneration Committee shall meet not less than twice a year.

The Remuneration Committee report for the year ended 31 December 2018 is available in the 2018 Annual Report and going forward the Directors' Remuneration Policy will be available in the Company's Annual Reports.

The Board has elected not to establish a Nominations Committee, preferring instead that the Board should, itself, deal with such matters, including succession planning and the balance of the Board. Therefore, the Board will review Board composition.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to providing effective communication and having constructive dialogue with its shareholders. The Company intends to have ongoing relationships with both private and institutional shareholders and shareholder analysts, and for them to have the opportunity to discuss issues and provide feedback at meetings with the Company, as well as maintaining regular contact with advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of any other major shareholders. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. While the sole resolution at the 2018 AGM was passed comfortably, as a general rule if there is a resolution passed at a GM with 20% or more votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action.

The latest Corporate Documents (including Annual Reports, Notices of AGMs and AGM Proxy Votes) can be found here: https://mmx.co/investors.

Investors also will have access to current information on the Company though its website, mmx.co. The Company uses electronic communications with shareholders in order to maximise efficiency.

Guy Elliott

Chairman

25 September 2019