Corporate Governance Statement

The Board of Xpediator plc (the “Company”) is committed to the principles of good corporate governance and recognises that it enhances its decision-making which in turn improve the opportunity and potential for the success of the Company and increasing shareholder value over the medium to long-term.

We believe strongly in the value and importance of strong corporate governance and in our accountability to all of the Company’s stakeholders, including shareholders, employees, contractors and suppliers.

Xpediator currently complies with the principles of the Quoted Companies Alliance Corporate Governance Code (the “QCA Code”) to the extent that the Directors consider it appropriate, having regard to the Company’s size, board structure, nature of operations and available resources.

The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long term shareholder value, encompassing an efficient, effective and dynamic management framework accompanied by good communication to promote confidence and trust. The sections below set out the ways in which the Group applies the ten principles of the QCA Code in support of the Group’s medium to long-term success, together with any areas of non-compliance.

Further corporate governance disclosures will be included in the Company’s Annual Report and Accounts (“Annual Report”).

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

The strategy and business operations of the Group are set out in the Strategic Report of the Group’s Annual Report.

The Group’s strategy and business model and amendments thereto, are developed by the Chief Executive Officer and his senior management team and approved by the Board. The senior management team, led by the Chief Executive Officer, is responsible for implementing the strategy and managing the business at an operational level.

More specifically, and in order to deliver the optimal medium and long term value for its shareholders, the Board has adopted a strategy of continued organic growth across each of its business areas, together with the acquisition of strategically enhancing businesses which
will complement the Group’s existing operations in terms of new service offerings, capacity and/or geographic expansion.

Operating in a large, diverse yet fragmented sector, there are many opportunities for organic growth and M&A activity. Acquisitions should strategically enhance the Group’s ability to offer a one stop solution to an ever-increasing customer base whilst also providing cross-selling opportunities, potential cost synergies and additional internal resources, thereby providing an improved service to our clients.

The Group’s ability to execute its strategy is highly dependent on the skills and abilities of its people. We undertake ongoing initiatives to foster good staff engagement and ensure that remuneration packages are competitive in the market.

2. Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining a regular dialogue with both existing and potential new shareholders in order to communicate the Group’s strategy and progress and to understand the needs and expectations of shareholders.

The Chief Executive Officer and Chief Financial Officer are principally responsible for shareholder liaison and have regular dialogue with institutional investors in order to develop an understanding of their views.

The Group’s investor relations activities encompass dialogue with both institutional and private investors. Meetings are held with analysts, investors and institutional shareholders of the Company following the interim and annual results announcements as well as on an ad hoc basis (where requested by fund managers). These presentations are given by the Chief Executive Officer and the Chief Financial Officer, updating on relevant matters and, in particular, on the progress of the Company in terms of its operational performance, financial performance and strategic direction. The Company is also a regular presenter at private investor events and the Chief Executive Officer has also provided regular market updates through filmed interviews and podcasts available via links published on the website.

During the last 12 months, the following activities were conducted in order to engage with shareholders and to ensure that the members of the Board maintained and further developed a strong understanding of the needs and expectations of shareholders:

<table>
<thead>
<tr>
<th>Description of Activity</th>
<th>Frequency</th>
<th>Participants</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGM</td>
<td>Annually</td>
<td>All Directors</td>
<td></td>
</tr>
<tr>
<td>CEO interviews</td>
<td>Weekly</td>
<td>CEO</td>
<td>CEO conducts regular interviews.</td>
</tr>
<tr>
<td>Investor Presentations</td>
<td>Quarterly</td>
<td>CEO, CFO</td>
<td>Company presents at various investor presentation forums.</td>
</tr>
<tr>
<td>Investor Shows and Industry Conferences</td>
<td>Bi-Annually</td>
<td>CEO, CFO, Chairman</td>
<td>The Company attends various investor shows.</td>
</tr>
</tbody>
</table>

The Company also endeavours to maintain a dialogue and keep shareholders informed through its public announcements and its corporate website, www.xpediator.com. The Group’s Annual Report as well as investor presentations are available on this website. The
Annual General Meeting of the Company, normally attended by all Directors, gives the Directors the opportunity to report to shareholders on current and proposed operations and enables shareholders to express their views of the Group’s business activities. Shareholders are encouraged to attend and are invited to ask questions during the meeting and to meet with Directors after the formal proceedings have ended.

The Company has not historically announced the detailed results of shareholder voting to the market. However, the Board intends to do so going forward.

The Company also maintains regular dialogue with equity research analysts and whilst the Company has not historically hosted dedicated analyst meetings in respect of its annual and interim financial results, the Chief Executive Officer and Chief Financial Officer intend to do so in respect of the 2018 annual results, and thereafter.

The Company has engaged the services of Equity Development who publish comprehensive research on the Group which is available to shareholders on the website.

In addition, shareholder communication is answered, where appropriate, by the Directors or the Company’s Financial PR advisors.

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

The Board recognises that the success of the Company is reliant on the stakeholders of the business and, to this effect, the Company engages with these stakeholder groups on a regular basis. The Board recognises its responsibility under UK corporate law to promote the success of the Company for the benefit of its members as a whole. The Board also understands that it has a responsibility towards employees, partners, suppliers and contractors and the local communities in which it operates.

The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company. This feedback can be provided by the use of on-site suggestion boxes for internal stakeholders, employee committee forums, and access to members of the Senior Operating Board, details on whom are set out at https://xpediator.com/board-of-directors and available on +44(0) 330 043 2395.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Reason for Engagement</th>
<th>How we engage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td>Shareholders are the owners of the Company and the board’s primary mission is to increase shareholder value</td>
<td>As described in previous section (Principle 2)</td>
</tr>
<tr>
<td>Customers</td>
<td>Our customers are essential for our business to be profitable through the generation of revenues</td>
<td>Our employees have direct contact with our existing and potential new customers to understand their needs and to offer a high level of service to satisfy their demands</td>
</tr>
<tr>
<td>Suppliers and partners</td>
<td>The Company engages with external suppliers</td>
<td>We work to ensure that all members of staff engage in a respectful and professional manner with</td>
</tr>
</tbody>
</table>
We operate systems to ensure that supplier invoices are processed and paid promptly.

<table>
<thead>
<tr>
<th>Staff and Employees</th>
<th>Recruiting and retaining highly skilled and motivated professions is one of the key drivers of our success</th>
</tr>
</thead>
<tbody>
<tr>
<td>In addition to regular communication between Directors and employees, we conduct monthly staff meetings to promote two-way communication. The Group also has a whistle-blowing facility as detailed on the website.</td>
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</table>

4. **Embed effective risk management, considering both opportunities and threats**

The Board has overall responsibility for ensuring risk is appropriately managed across the business. The Board sets clear strategic objectives for the business. The risks to the achievement of those objectives are identified by corporate and divisional management. The audit committee provides further independent review and robust challenge.

The Board is satisfied with the effectiveness of the system of internal controls but, by their very nature, these procedures can provide reasonable, not absolute, assurance against material misstatement or loss. This is particularly the case when integrating the operational and financial procedures of acquired businesses. Identified risks are evaluated, both before and after controls and mitigating actions have been applied, as to their likelihood of occurring and potential financial and reputational impact. Risks are treated in accordance with risk appetite, which has been defined by the Board across a range of risk categories. The Group has an Internal Audit function which helps the Board monitor risks and ensure implementation of the Group’s policies.

A more formal structure for the internal audit function is to be adopted by the Board in short course, including the targeting of certain key areas by the Internal Audit function as well as the subsequent reporting of their findings back to the Audit Committee. Through the activities of the Audit Committee, the effectiveness of the Group’s internal controls as well as the Group’s risk strategy is reviewed annually with the Company’s auditors.

The success of the Group depends on its ability to mitigate and understand the risks facing the business and take appropriate action in a timely manner. The Board meets at least quarterly to evaluate the Group’s risk appetite.

A comprehensive budgeting process is completed once a year and is reviewed and approved by the Board. The Group’s actual results, compared to the budget, are reported to the Board on a monthly basis.

The Group maintains appropriate insurance cover in respect of actions taken against the Directors because of their roles, as well as against material loss or claims against the Group. The insured values and type of cover are comprehensively reviewed on a periodic basis.

The CEO and CFO meet members of the Group’s Operating Board on a monthly basis to discuss their business area and to consider new risks and opportunities presented to the Group, making recommendations to the Board and/or Audit Committee as appropriate.
A summary of the principal risks and uncertainties facing the Group, as well as mitigating actions, are set out on pages 20 to 23 of the Group’s 2018 Annual Report https://xpediator.com/wp-content/uploads/2019/05/253658_Xpediator_AR_2018-WEB.pdf

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

Xpediator’s Board currently consists of 2 non-executive directors and 2 executive directors.

All of the Directors are subject to election by shareholders at the first Annual General Meeting after their appointment to the Board and then subject to re-election at intervals of no more than three years.

Details of the directors including brief biographies are set out at https://xpediator.com/board-of-directors.

The Board is responsible to the Company’s shareholders for the proper management of the Group and formally meets on a quarterly basis. The Company reports annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors.

The Board has established an Audit Committee and a Remuneration Committee, but given the size of the Company the Board does not consider a nominations committee is required and all appointments to the Board are made by the Board as a whole.

The Board considers it collectively has an appropriate balance of skills and experience, as well as an appropriate balance of personal qualities and capabilities. Further, the Board believes it has a good balance between executive and non-executive Directors and considers all three non-executive directors as being independent, thus considers that the balance is appropriate for a company of its size.

The Board will continue to review the situation and make any necessary appointments as required to maintain this balance or to reflect the scale and complexity of the business as it grows.

6. Ensure that between them the directors have the necessary up-to-date skills

The Board considers that all of the non-executive directors are of sufficient competence and calibre to add strength and objectivity to its activities, and bring considerable experience in the financial and operational development of the Group.

Details of the directors including brief biographies are set out at https://xpediator.com/board-of-directors.

The Board also has the relevant professional and technical skills to ensure they are able to fulfil their duties. The CEO is a qualified accountant with over 30 years’ experience in the logistics sector and the CFO is a qualified chartered accountant with 20 years’ experience in both finance and operational roles.

The Board believes that the current skills of the directors reflect a broad range of both commercial and professional skills across the relevant industries and territories in which the Group operates, plus the Board has sufficient experience of operating in public markets.

The Company does not however have a director designated as a Senior Independent Director. In light of the size of the Board, and the nature and size of the Group’s stage of development, the Board does not consider it necessary to appoint a Senior Independent Director at this stage, but will nevertheless keep this under review as part of the Board’s evaluation on Board effectiveness.
The Company is committed to a culture of equal opportunities for all employees regardless of gender. The Board will be diverse in terms of its range of culture, nationality and international experience. All 5 Directors are currently male, and there is one female on the Operating Board. If it is agreed to expand the Operating Board and main Board at a later date, (or indeed if/when new replacement directors are sought in the future), the Board will, when identifying appropriate candidates, look to include female candidates for consideration in senior and also Board roles.

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

The members of the Board, are evaluated each year by way of peer appraisal. The appraisal seeks to determine the effectiveness and performance of each member with regards to their specific roles as well as their role as a Board member in general.

The appraisal system seeks to identify areas of concern and make recommendations for any training or development to enable the Board member to meet their objectives which will be set for the following year. The appraisal process will also review the progress made against prior year targets to ensure any identified skill gaps are addressed. Details of the review, the findings and agreed actions will be summarised in Xpediator’s 2018 Annual Report.

Whilst the Board considers this evaluation process is currently best carried out internally, the Board will keep this under review and may consider independent external evaluation reviews in due course as the Company grows.

As well as the appraisal process, the Board monitors the non-executive directors’ status as independent to ensure a suitable balance of independent non-executive and executive directors remains in place.

The Board may utilise the results of the evaluation process when considering the adequacy of the composition of the Board and for succession planning. Succession planning is formally considered by the Board on an annual basis, in conjunction with the appraisal process. Due to the importance of succession planning, the Board will also consider this on an ad hoc basis as required.

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

The board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. Our core values serve as a common language that allows all members of staff to work together as an effective team and it is these values and our shared long-term business vision and strategy that we believe will drive growth in shareholder value over the long term.

We are committed to three core values:

1. Creating a safe, positive and inclusive workplace environment
2. Engaging all stakeholders and the broader community with respect, integrity and honesty
3. Fostering a high performance culture that values the contribution of all team members

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Group’s operations because the Board recognises that the culture of any business is set by the actions and conduct of its Board of Directors. These values are enshrined in the written policies and working practices adopted by all employees in the Group.
The Board takes the time to consider the wider ramifications to its stakeholders when making strategic and corporate decisions, whilst at the same time delivering the long term objectives of stakeholders.

Having open communications with stakeholders allows them to give constructive feedback to the Board and enables the Board to monitor the reactions of those stakeholders to decisions made.

The Company believes in openness, integrity, honesty and trust as its core values, which it promotes through each of its different business units. The Group operates in international markets and is mindful that respect of individual cultures is critical to corporate success. Accordingly, the Board endeavours to promote sound ethical values and behaviours and treats its customers, suppliers and business partners with such respect at all times.

The Board has implemented a code for Directors’ and employees’ dealings in securities which it considers to be appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility in this area. The Group operates a Health and Safety Committee which meets monthly to monitor, review and make decisions concerning health and safety matters. The Group’s health and safety policies and procedures are enshrined in the Group’s documented quality systems, which encompass all aspects of the Group’s day-to-day operations.

9. Maintain governance structures and processes that are fit for purpose and support

The Board recognises that the responsibility for ensuring the Company operates in the correct manner is ultimately theirs and as such the Board has implemented various sub-committees and an Operating Board which helps implement the strategy of the Board. The executive directors have day-to-day responsibility for the operational management of the Group’s activities. The non-executive directors are responsible for bringing independent and objective judgement to Board decisions.

There is a clear separation of the roles of the Chief Executive Officer and the non-executive chairman. The Chairman is responsible for overseeing the effectiveness of the Board, ensuring that no individual or group dominates the Board’s decision-making and ensuring the non-executive directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group. The Chief Executive Officer is responsible for implementing the strategy of the Board and managing the day-to-day business activities of the Group.

The Board has established an audit committee and a remuneration committee with formally delegated duties and responsibilities, as set out below.

Audit Committee

The Audit Committee has responsibility for ensuring that the financial performance of the Company is properly reported on and reviewed, and its role includes monitoring the integrity of the financial statements of the Company (including annual and interim accounts and results announcements), reviewing internal control and risk management systems and ensuring that an effective system of internal controls is maintained, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors. The Audit, AIM Rules and MAR Compliance Committee have unrestricted access to the Company’s external auditors.
The Audit Committee meets at least twice per annum and a summary of the work of the audit committee under taken in the year ended 31 December 2017 is set out in the Audit Committee Report on page 28 to 35 of the Group’s 2018 Annual Report.

The Audit Committee comprises all three non-executive directors, with Alex Borrelli being the elected Chairman.

Remuneration Committee

The Remuneration Committee, which meets as required but at least once a year, has responsibility for making recommendations to the Board on the compensation of senior executives and determining, within the agreed terms of reference, the specific remuneration packages for each of the executive directors. It also supervises the Company’s share incentive schemes and sets performance conditions for share options granted under the schemes.


The Remuneration Committee comprises of the three Non-Executive Board members, with Rob Riddleston being the elected Chairman of the Remuneration Committee.

Nominations Committee

The Board has agreed that given its size any appointment to the Board will be made by the Board as a whole, it is not currently necessary to establish a formal nominations committee. This position however, is reviewed on a regular basis by the Board.

Non-Executive Directors

The Board adheres to guidelines relating to the appointment of non-executive directors, to ensure good corporate governance.

Both the Chairman and non-executive directors are appointed for an initial term of three years but they may be reappointed for subsequent terms if this is in the best interests of the Company.

The Chairman may serve as a non-executive director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

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 maintaining good and regular communication with its shareholders and other stakeholders and aims to ensure that all communications concerning the Group’s activities are clear, fair and accurate. As set out above, the Board welcomes an open dialogue with shareholders. The Investor Relations section of the Company’s website also provides all required regulatory information as well as other helpful information for shareholders and other relevant stakeholders including podcasts and presentations.
Results of shareholder meetings and details of votes cast will be publicly announced through the regulatory system and displayed on the Company’s website with suitable explanations of any actions undertaken as a result of any significant votes against resolutions.