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Our Group is dedicated to upholding a high standard of corporate governance. As Chairman, it remains my responsibility, working with my fellow Board members, to ensure that good standards of corporate governance are encompassed throughout the Group. As a Board, we set clear expectations regarding our culture, values and behaviours. We firmly believe that by encouraging the right way of thinking and behaving across all our people, our corporate governance culture is reinforced, enabling us to conduct business sustainably, responsibly and deliver value for our shareholders.

It is the Board's role to ensure that the Group is managed for the long-term benefit of all shareholders, with effective and efficient decision-making. Corporate governance is an important part of that role, reducing risk and adding value to our business.

The Group has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"). This statement sets out how the Group complies with, and where relevant departures from, the 10 principles of the QCA Code.

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

MED's primary focus is on advancing and developing its UK reserve power projects. Accordingly, the majority of MED's resources will be used to fund the continued development of the Company's projects.

The Board sets the Company's strategy and monitors its implementation through management and financial performance reviews. It also works to ensure that adequate resources are available to implement strategy in a timely manner. The Group has set out a strategy and business model to promote long-term value for shareholders and will update all shareholders on this in the annual reports for each year.

The Board meet on a regular basis to discuss the strategic direction of the Group and any significant deviation or change will be highlighted promptly should this occur.

The Strategic Report of the Group can be found on pages 7 to 12.

### **2. Seek to understand and meet shareholder needs and expectations**

The Group is committed to listening to, and communicating openly with, its shareholders to ensure that its strategy, business model and performance are clearly understood. The Group regards the annual general meeting as a good opportunity to communicate directly with shareholders via an open question and answer session. The Board lead by the Executive Chairman are also responsible for understanding and meeting shareholder needs and expectations.

In addition, the Group's progress on achieving its key targets are regularly communicated to investors via presentations and through its announcements to the market which can be at [www.med.energy](http://www.med.energy).

The Group also utilises professional advisers such as the Solicitors, Brokers, Auditor and the Company Secretary who provide advice and recommendations on shareholder communication.

Contact details are provided on the Company's website and within public documents should shareholders wish to communicate with the Company.

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

The Board recognise their responsibilities to stakeholders including staff, suppliers and customers and those within the community it operates in. The Board lead by the Non-Executive Chairman are also responsible for fostering and improving open communication and contact with relevant stakeholders of the Group.

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

The Board regularly reviews the risks facing the business and the internal controls which are in place to address risks. In order to support its duties and responsibilities the Board implements control procedures that assess and manage risk and ensure robust financial and operational management within the Group. The principal risks that the Group is exposed to can be classified under the general headings of funding risk, regulatory risk, commodity risk and development and construction risk. A more detail analysis of the principal risks can be found on pages 9 to 11 within the Company's annual report.

Although there is no specific committee tasked with identifying, analysing and reporting on risk during the financial period, it is nevertheless part of the everyday function of the Directors and is managed at Board level.

Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control within the Group are appropriate to the business.

**5. Maintain the board as a well-functioning, balanced team led by the Chairman**

The Board acknowledge their responsibility for, and recognise the importance of implementing and maintaining, high standards of corporate governance. The Board is responsible for establishing and maintaining the system of internal controls. The Group subscribes to the values of good corporate governance at all levels and is committed to conduct business with discipline, integrity and social responsibility.

The Board currently comprises two Non-Executive Directors, one of whom is also Chairman and one Executive Director who is the Chief Executive of the Group. Short biographies of the Directors appointed to the Board can be found within the Directors' Report on pages 18 to 23. The Directors' Report also includes details of the Committees and the number of meetings held during the year with the attendance record of each Director.

The QCA Code recommends that the Chair and Chief Executive should not be the same person. Currently Louis Coetzee acts as Non-Executive Chairman and Paul Venter acts as Chief Executive. The Directors believe that given the size of the Company and its stage of development, it is appropriate for the Company to currently have three Directors, though they will continue to monitor this on an ongoing basis as the Company grows and develops.

The Board is of the view that the Chairman and each of the Directors who held office during 2021 committed sufficient time to fulfilling their duties as members of the Board.

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

The Board has a diverse range of skills, experience and personal qualities that help deliver the strategy of the Group. The Group will ensure that, between them, the Directors have the necessary up-to-date experience, skills and capabilities to deliver the Group's strategy and targets. Each Director's biographical details, along with a description of their role and experience, can be found within the Directors' Report on pages 18 to 23.

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

Given the Group's current size, the Board has not considered it necessary to undertake an assessment of the Board performance and effectiveness.

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

The Group operates a corporate culture that is based on ethical values and behaviours. It will maintain a quality system appropriate to the standards required for a Group of its size. The Board communicates regularly with staff through meetings and messages.

The Group also has a Corporate Social Responsibility Policy details of which can be found on page 18 of the Directors' Report.

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

The Board sets the direction for the Group through a formal schedule of matters reserved for its decision. The Chief Executive implements the strategy for the Group and regularly reports to the Board on progress as well as continually engaging with the Group's shareholders and stakeholders. The Board has a schedule of matters reserved for its review and approval, such items include, Group strategy, approval of major capital expenditure projects, approval of the annual and interim results, annual budgets, dividend policy and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets, their performance in relation to those budgets and their capital expenditure. The Board delegates day-to-day responsibility for managing the business to the Chief Executive and the senior management team.

The Board and Committees along with the matters reserved for each are explained within the Directors' Report on pages 18 to 23. Further information can also be found on the Company's website [www.med.energy.com](http://www.med.energy.com).

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

The Group already publishes historical annual reports, notices of meetings and other publications which can be found on the Company's website [www.med.energy](http://www.med.energy). The Board has not published Audit Committee or Remuneration Committee reports in the Company's latest annual report and accounts. The Board feels that this is appropriate given the size and stage of development of the Company.

In regards to a general meeting of the Group once the meeting has concluded the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company's website. If it became relevant an explanation of actions where a significant proportion of votes (e.g. 20% of independent votes) is cast against a resolution would be provided.