

CORPORATE GOVERNANCE

Chairman's introduction

I am delighted to present our corporate governance report for this year end. This is the second year we are reporting under the 2018 revision of the UK Corporate Governance Code (the "Code"). As explained last year the Board and its Committees together with management worked on implementing the principles and provisions of the Code prior to its introduction. 2020 continued our ongoing work streams on governance matters which are explained further below. I am pleased to report we have complied with all the principles of the Code and only diverge from the provisions on two matters, down from four in 2019. These are explained more fully within this report.

The Covid pandemic impacted our business in many ways. Operationally it focused our minds on our stakeholder engagement and ensuring our relationships with all our key stakeholders remained strong and resilient to weather the storm and allow the business to continue to operate. This involved regular engagement with: our tenants to ensure our estates remained open and operational in light of local regulations enacted by the Russian government to stem the number of infections; suppliers and contractors to ensure tenant fit outs remained on schedule and as planned to deliver the space tenants needed to operate their own businesses; providers of capital, principally our shareholders and bankers, to keep them apprised of our business, future plans and governance matters; and our employees to ensure they could work remotely, safely, securely and effectively whilst in differing levels of lockdown. As with many businesses, Covid has changed the way we operate and the governance around such changes has needed to follow suit.

I hope that readers of this year's annual report obtain a greater insight into the environmental, social and governance practices of our business. We have made real progress on these matters.

As explained in our 2019 report, Christopher Sherwell retired at the conclusion of the 2020 AGM. Michael Hough became the Senior Independent Director and Chair of the Remuneration Committee at that point. In October we welcomed two new Non Executive Directors, Russell Field who now chairs the Audit Committee and sits on the Remuneration Committee and Philip Swire who sits on the Nominations Committee. The Nominations Committee report provides further details on the appointment processes and the induction program both have participated in. We remain committed to adding further diversity to your Board, and are still looking for a further non executive to complete our rotation programme. We will provide further updates on this as progress is made.

We continue to put governance matters at the forefront of our decision making processes ensuring that good corporate governance principals are applied, not just in the boardroom, but in all operations and activities of the Group.

Sir Richard Jewson

14 March 2021

Statement of Compliance with the Code

The Board considers that the Company complies fully with the principles of the Code, and all provisions save for provisions numbered 5 and 19. Both are discussed in more detail below setting out our reasons for deviation from the Code and why, in certain cases, we believe our approach upholds the spirit of the provisions within the Code rather than the letter itself.

5 – Workforce engagement

As reported last year, given the size of the Group and closeness of the Executive Directors to senior management and operational areas of the Group, the Board do not consider that any one of the three methods of engagement with the workforce proposed in the Code will generate a more effective means to consider the workforces views as stakeholders of the Group. There is always a member of senior management in attendance at formal Board meetings. The senior management team meet on a weekly basis with the executive Directors. Our operational committee structure and the role of the Board of our Cypriot subsidiary group means that employees from all facets of the Group have weekly meetings with at least one member of the Executive Directors or senior management. This, along with the team leadership structures in place across the Group, allows a conduit for engagement and multiple touch points for our workforce to engage with Executive Board members and senior management and provides an open and informal approach, which in our opinion, is more appropriate for the Group at the current time than one of the three methods set out in the Code. This approach will be kept under review by the Board in consultation with the senior management team to ensure it remains the most effective means to ensure engagement with our employees.

19 – Tenure of the Chair

The Board is in the process of undertaking a phased approach to succession planning to ensure that any new Non Executive Director can be integrated into the Board and its committee structures whilst ensuring continuity throughout. The appointment of a Chair is arguably one of the most important decisions any company will make. Ensuring that individual is the right fit for the business and can drive the Board forward is fundamental. The Nominations Committee are focusing this year on a final non executive appointment, and once complete will then turn to consideration of succession planning for the Chair.



Board leadership and company purpose

The Board is responsible for realising shareholder value by setting the Group's strategic objectives and direction. Day to day responsibility in delivery of the Group's strategy is charged to the executive and senior management team who are accountable to the Board on accomplishing these goals. The strategic goals of the Group are set out in more detail in the business model and strategic report which includes information on the Company's purpose, values and culture.

The Board had six scheduled meetings throughout the year as well as conference calls for specific matters as required. A committee of the Board, comprising any two or more Directors, meet on an ad hoc basis to consider transactional and related matters concerning the Company's business. During 2020, there were 16 such committee meetings. In any normal year the Board's scheduled meetings would be held in Guernsey at the Group's head office, with meetings also held in Russia or Cyprus to review the Group's operations and meet with local management. During 2020, meetings were held by video conference on all but one occasion with meetings at the Group's operational offices in Cyprus and Moscow not possible due to Covid travel restrictions. The use of video conferencing across the Group has been extensive while travel restrictions remain in place, however, unlike some businesses; video conferencing has been a part of the way the Group has operated for a number of years ensuring that the technology available to the Board is fit for purpose to enable its continued smooth operation.

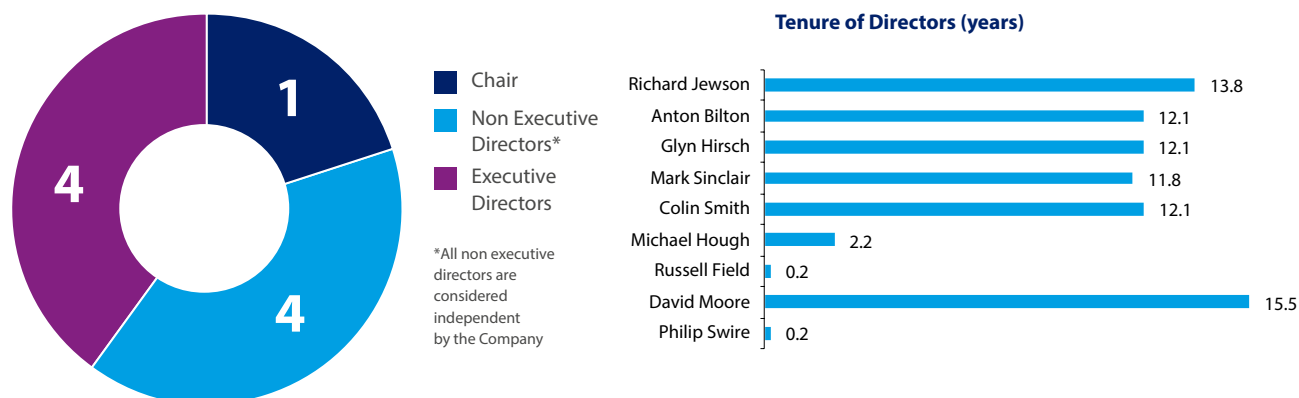
Matters reserved specifically for the Board's consideration form the basis of the scheduled meeting agendas. The main elements of this policy include Group strategy, material transactions, financial reporting, capital structure and distribution policy, corporate governance and internal controls and risk management. The table below sets out the activities of the Board during the year.

	Key activities of the Board during 2020	Activities specific for the year
Q1	<ul style="list-style-type: none"> Review of investment portfolio performance Review of medium term forecasts and strategy Approval of the 2019 annual report Consideration of principal risks and risk appetite 	<ul style="list-style-type: none"> Approval of suspending the ordinary share distribution to shareholders given the uncertainty around COVID Review of the Group's COVID response Approval of updated corporate governance policy documentation Consideration of the cumulative preference share re-designation plans Consideration and planning of tax strategy
Q2	<ul style="list-style-type: none"> Review of investment portfolio performance Review of Q1 2020 reforecast Review of investor feedback from investor/broker meetings following results Review and consideration of strategy Approval of notice of meeting for 2020's AGM 	<ul style="list-style-type: none"> Shareholder engagement on re-designation proposals Finalisation of re-designation proposals Monitoring the Group's COVID response Further updates and training program for key group policies
Q3	<ul style="list-style-type: none"> Review of investment portfolio performance Review of medium term forecasts and strategy Approval of 2020 interim results Consideration of principal risks Review of Q2 2020 reforecast Review of AGM results 	<ul style="list-style-type: none"> Approval to reinstate the final 2019 distribution by way of tender offer buy back given the operating performance of the Group in H1 2020 Consideration of further share buy back proposals Monitoring business COVID response Consideration of ESG matters and engagement of external advisors
Q4	<ul style="list-style-type: none"> Review of investment portfolio performance Review of Q3 2020 reforecast Approval of 2021 Budget Review of medium to longer term forecasts Consideration of Board constitution, balance of skills and experience Review of investor feedback from investor/broker meetings following interim results Review and consideration of strategy 	<ul style="list-style-type: none"> Consideration of new non executive appointments Consideration of the share buy back proposal and exit of cornerstone investor Internal systems and reporting Monitoring the Group's COVID response

The Chair is responsible for leadership of the Board, its overall effectiveness at directing the Company and ensures appropriate discussion, challenge and robust practices are integral in the Board's deliberations and activities. The Chief Executive is responsible for the implementation of the Group's strategy as agreed by the Board. Terms of reference for the Chair, Chief Executive and Senior Independent Director are set out in writing and reviewed as necessary. The Chief Executive, together with the Executive Directors, the Board of the Cypriot holding company and wider management team, is charged to deliver the strategic goals of the Group. The Non Executive Directors assist the executive team in developing this strategy whilst providing a sounding board, challenge and rigour to the decisions of the Board.

Board composition

The Board contains nine directors, four Executive, four Non Executive and the Chairman, who was considered independent on appointment. Biographies for each of the Directors are included elsewhere in this Annual Report.



The Board and its Committees

The Board has established Audit, Remuneration and Nominations Committees and delegated certain activities through their terms of reference. Terms of reference for each committee can be found on the Company's website (www.theravenpropertygroup.com). Together, the committees and the schedule of reserved matters assist the Board in discharging its duties effectively. The Board and its Committees have regular scheduled meetings. An overview of the activities of the Board and its Committees is contained within this report and that of the Audit, Nominations and Remuneration Committees.

As well as the members of the Board and its Committees, other Board members, the Company's advisors and operational directors and management are invited to attend where appropriate to present on a particular matter at hand. Material and briefing papers are supplied in advance of any meeting to all attendees along with regular management information which is circulated to the Board throughout the year. Minutes of all Board and committee meetings are circulated to the Board. Should, on the rare occasion, a director be unable to attend a scheduled meeting, they have the opportunity to discuss matters with the chairman of the Board/committee or the Chief Executive. There is an open dialogue between the Chair, Non Executive Directors, Executive Directors and senior management with regular informal meetings held outside of the scheduled Board meetings to discuss business matters. All Directors also have access to the Group's professional advisors should they be required.

During the year, on consultation with nominations committee following the appointment of the new Non Executive Directors, the Board took the opportunity to reassess the Board Committee membership to ensure that it was fit for purpose with the necessary balance of skills, background and diversity whilst ensuring continuity throughout for any hand over periods as required. As of the year end, the membership of each Committee is set out in the table below.

	Audit Committee	Nominations Committee	Remuneration Committee
R Jewson		Chair	Member
M Hough	Member	Member	Chair
R Field	Chair		Member
D Moore	Member		Member
P Swire		Member	



Attendance at Board or Committee meetings during the year to 31 December 2020

(where 'N/A' is shown, the Director listed is not a member of the committee)

	Board	Audit Committee	Nominations Committee	Remuneration Committee
R Jewson	6	N/A	3	2
A Bilton*	6	N/A	3	N/A
G Hirsch	6	N/A	N/A	N/A
M Sinclair	6	N/A	N/A	N/A
C Smith	6	N/A	N/A	N/A
C Sherwell**	2	1	1	1
M Hough***	6	3	2	2
R Field****	1	0	N/A	0
D Moore	5	2	N/A	2
P Swire****	1	N/A	0	N/A
No. of meetings during the year	6	3	3	2

* Anton Bilton resigned as a member of the Nominations committee on 21 October 2020

** Christopher Sherwell retired at the AGM held on 6 July 2020. There were 3 Board, 1 Audit, 1 Remuneration and 1 Nominations Committee meetings held prior to his retirement

*** Michael Hough joined the Nominations Committee on 6 July 2020. There were 2 Nominations Committee meetings held during 2020 since his appointment date

**** Russell Field and Philip Swire joined the Board on 21 October 2020, there has been 1 Board meeting since that date and no committee meetings.

Engagement with Shareholders

The Board considers the views of our shareholders and regular contact with our shareholders, brokers and analysts to be an important aspect of our on going corporate governance program. The Chief Executive Officer and Executive Deputy Chairman have day to day responsibility for our investor relations program and feed back to the Board throughout the year.

In any normal year the Chief Executive Officer, Executive Deputy Chairman and Chief Financial Officer would perform regular road shows, investor and analysts briefings and shareholder meetings around publication of our annual and interim results and ahead of any notable events such as the convertible share re-designation. Engagement with our largest institutional investors includes discussing governance, remuneration, distributions and fund raising prior to developing our policies, ensuring that the Company and its directors' interests are fully aligned with our shareholders.

Due to covid travel restrictions and government policy on social distancing and gatherings, physical meetings were not able to take place in 2020, instead our usual program was rolled out using conference calls. During the year we have spoken to institutions and private shareholders which represent 64.5% of our shareholder base. Additionally our brokers and advisers team have spoken to a further 4.5% of shareholders, meaning in total we have been in direct communication with 81.1% of investors including the 12.1% of shares held by management, employees and related parties.

In addition to our institutional holders, we have a fairly large retail investor base and a number of other interested stakeholder groups. In these cases the Group uses its website to ensure timely information is provided along with our regulatory new announcements service which we would encourage all investors and stakeholders to sign up to. This can be found on our website <https://www.theravenpropertygroup.com/investors/email-signup/>. Results presentations, report and accounts, shareholder circulars as well as the Group's governance material is all published on our website.

The AGM of the Company provides shareholders with the opportunity to meet the Board and discuss the business and any matters of interest or concern. Unfortunately our AGM had to be held behind closed doors last year. Although it was technically possible to attend subject to certain isolation restrictions, it was simply unfeasible for shareholders not based in Guernsey to attend. Details of those resolutions which did not receive at least 80% positive votes are provided separately below. We are hopeful that covid travel restrictions and government guidance on gatherings allow us to hold an open AGM during 2021. We continue to urge shareholders to engage with the Company directly rather than relying on proxy voting agencies to form an opinion on our governance practices and vote on their behalf.

Significant votes against at the annual general meeting

At the Company's AGM held on 6 July 2020, there were two resolutions which received less than 80% of supporting votes, these were:

- 73.6% of votes were cast in favour of Resolution 2 "to approve the Directors' Remuneration Report"; and
- 77.6% of votes were cast in favour of Resolution 3 "to re-appoint Sir Richard Jewson."

In the announcement released following the AGM the Board explained that, in line with accepted best practice, the Company had deferred the proposal of a new remuneration policy for the period 1 January 2021 to 31 December 2023 until the 2021 AGM. An updated policy will be proposed at the AGM in 2021. The Remuneration Committee Report sets this out in more detail along with a fuller explanation of the steps taken to ensure that this policy is aligned to shareholders expectations.

The Company continued to progress its succession planning for the Board and on 21 October 2020 announced the appointment of Russell Field and Philip Swire as independent Non Executive Directors. Further details on their appointments and future plans for the succession planning can be viewed in the nominations committee report.



THE NOMINATIONS COMMITTEE REPORT

As Chair of the nominations committee, I am pleased to present our 2020 report which sets out the activities that the committee has undertaken during the year. Our main focus has been on the succession planning of our non executive team. We have two new members of the non executive team this year, Russell Field and Phillip Swire join David Moore and Michael Hough as continuing Non Executive Directors whilst Christopher Sherwell stepped down at the AGM held in July. I, along with the rest of the Board would like to thank Christopher for his involvement with the Company over the past 12 years and particularly his work as Chair of the remuneration committee and the role of the Company's senior independent director. Michael Hough became the Company's Senior Independent Director and Chair of the remuneration committee following the AGM.

The key tasks of the Committee include reviewing the size, structure and composition of the Board and its committees to ensure appropriate skill, experience, diversity and independence, lead processes for new Board and senior management appointments, and finally to review the effectiveness of the Board and its committee structure in light of the requirements of the Group, Code and relevant regulations.

The committee is now searching for a female non executive director to complete the succession planning.

Non Executive Director - appointment and induction program

As explained above, Russell Field and Philip Swire joined the Board as Non Executive Directors in October 2020. Both were interviewed for the position by the Chairman, Chief Executive and Executive Deputy Chairman prior to a proposal being put forward to the committee for consideration. Following the committee's review, a recommendation for their appointment was made to the Board.

Following their appointment, a detailed induction program was put in place so that they could become familiar with the Group and its operations. The process included a review of all key Group policies and management reporting framework. In any normal year the induction program would have included visits to our Cyprus and Russian operations to meet and discuss the business with local management, however given the travel restrictions in place, video conferences were held with members of senior management and the management team. Once travel restrictions are lifted, it is the intention that both will visit our operations and engage with the team in person.

Diversity

Diversity information on the Board, senior management, immediate reports below the senior management team and Group as a whole are set out within the strategic report. There is female representation of 62% and 36% for direct reports to the senior management team and senior management team respectively with a group wide split between male and females of 37% and 63% respectively. Although we are yet to appoint a female director to the Board this is one of the key considerations for any new appointment being considered by the Committee during 2021. The Committee has intentionally not adopted a policy or quota on recruitment which may impose certain restrictions, both positively and negatively in regards to specific diversity traits, when considering applicants for roles within the Board and wider Group. Instead the Board and committee continue to support the view that the experience, background, age and tenure of each individual to contribute to the diverse nature and inclusivity of the Group.

Board performance evaluation

The Board undertakes annual performance evaluations of its own and of its Committees' activities. These are led by the Chair and where dealing with his own performance, by the Senior Independent Director.

The performance evaluations for the year ended 2020 were undertaken internally, which included group discussions and individual reviews of performance throughout the year. It was concluded that the performance of the Board, its Committees and individual Directors was effective and that the Board has the necessary balance of skills, expertise, independence and knowledge required to direct the business.

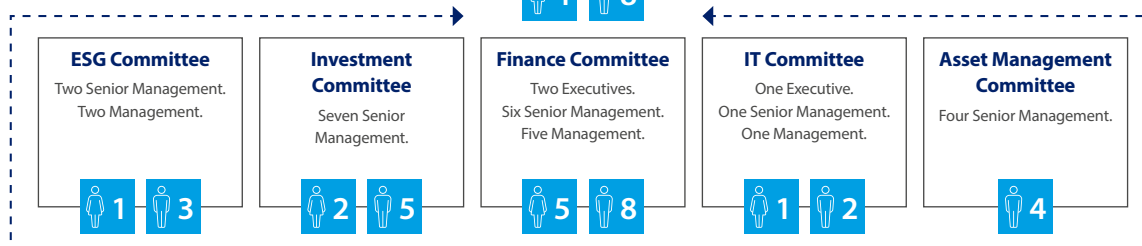
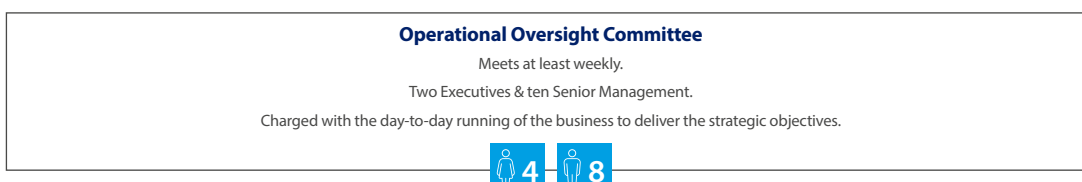
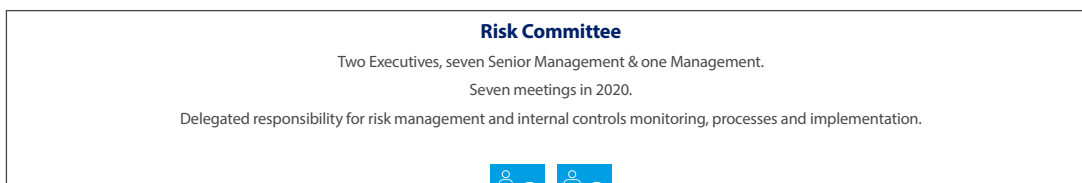
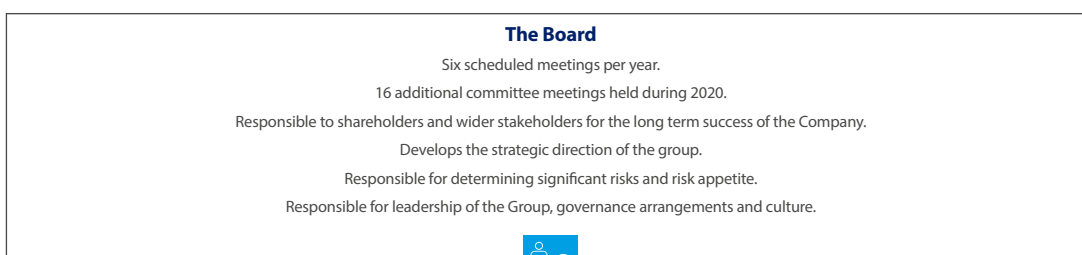
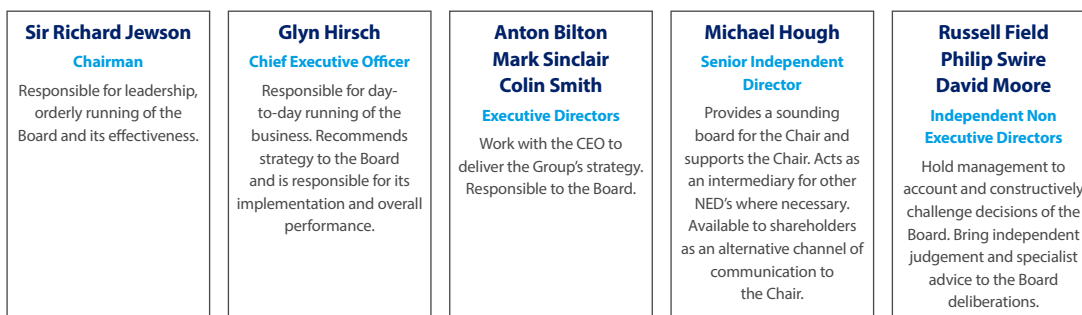
The Board and Committee consider the composition of the Board and its Committees with reference to the Group's needs and also the requirements of the Code and relevant regulations. In accordance with the Code, all Directors will be put forward for re-election at the AGM. Having considered the balance of skills, expertise and performance of the Board, its committees and individual Directors, the Board recommends the reappointment of each Director standing for re-election at the forthcoming AGM.

Sir Richard Jewson

Chair of the Nominations Committee
14 March 2021



The structure of the Board, its Committees and group operational committees is set out below.



Operational Committees - each meet weekly