

	Principle	Application
1	<p>Establish a strategy and business model which promotes long-term value for shareholders</p>	<p>The Company's strategy is shaped by the executive board and is set out in the Annual Report and also on the 'About Us' website page. The company's shares are traded on the AIM Market of the London Stock Exchange.</p> <p>Coral Products PLC is a manufacturer and distributor of plastic injection, extruded and blow moulded products into a diverse range of sectors, including food packaging, personal care, household, healthcare, automotive, telecoms and rail. The Group have operations in the UK with manufacturing facilities in Haydock, Merseyside, and Wythenshawe, Greater Manchester and distribution facility in Hyde, Greater Manchester.</p> <p>By developing innovative plastic moulded products, providing excellent customer service and through its hard-working employees, Coral Products continues to restructure its markets to be able to create growth and value for its shareholders.</p>
2	<p>Seek to understand and meet shareholder needs and expectations</p>	<p>The Board is committed to communicating openly with shareholders to ensure that its strategy and performance are clearly understood. The Board communicates with shareholders through the Annual Report and the Interim Statement, trading and other announcement made on RNS and at the Annual General Meeting where the Board encourages investors to participate. The Company also maintains a website https://www.coralproducts.com/aim-rule-26/ which contains information on the Group's business, corporate information and specific disclosures required under AIM rules and the QCA Code.</p> <p>In this way the Directors have developed a good understanding of the needs and expectations of all elements of the Company's shareholder base.</p> <p>There have been no significant votes against resolutions at previous AGMs.</p> <p>As the companies within the Group expand, we continually review the risks and uncertainties facing the Group to ensure we identify any new key risks and how we implement appropriate action to manage these risks.</p>

3	<p>Take into account wider stakeholder and social responsibilities and their implications for long term-success</p>	<p>The Board recognises its responsibility under UK law to promote the success of the Group for the benefit of its stakeholders and understands that the business has a responsibility towards its stakeholders including shareholders, employees, customers, suppliers and to the local community.</p> <p>The Board sets standards across the Group and monitors these at regular board meetings of all Group companies. The Board is very conscious that the tone and culture it sets impacts all aspects of the Group and the way employees behave and operate.</p> <p>The Board encourages open dialogue and commitment to providing the best service possible to the Group's customers and considerate interactions with suppliers.</p> <p>The Company monitors feedback from all of its stakeholders as reported by the Group companies and the Board uses this to develop future policy. Being a participant in the plastics industry, the board is keenly aware of environmental considerations and is actively working to ensure that it is at the forefront of meeting the standard expected over the coming years. Recyclable materials are a key element in this.</p>
4	<p>Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The Board has an active program of working with all the Group companies to assist with achieving goals and to discuss and resolve any issues that arise.</p> <p>The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's strategic objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.</p> <p>The Board monitors financial controls through the setting and approval of annual budgets throughout the Group and the regular review of monthly management accounts.</p> <p>Each Group company has defined authorisation levels for expenditure, the placing of orders and signing authorities. The daily cash movements of the Group companies are reconciled and monitored by their finance departments. The Group's cash flow is monitored by the Board.</p> <p>Each year on behalf of the Board, the Finance Director attends audit review meetings at the Group companies at which the auditors present their findings including a comprehensive review of risks/potential risks which cover both financial and non-financial issues potentially affecting a Group company.</p> <p>If any issues are identified by the Group companies at the regular company board meetings these are raised at the next Board meeting. However, depending on the severity of the issue, information may be disseminated to the Board immediately.</p>

5	<p>Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The purpose of the Board is to ensure that the business is managed for the long-term benefit of all shareholders, whilst at the same time having regard for all stakeholders.</p> <p>The Board has a formal schedule of matters reserved for its decisions. There are a minimum of [four] full board meetings spread across each year which tie in as far as possible with the Group’s financial reporting calendar. Additional meetings are held as required.</p> <p>The full Board is responsible and accountable to the shareholders for the management and success of the Group and to provide effective controls to assess and manage risks in the Company.</p> <p>The Board currently comprises Joe Grimmond (Non-executive Chairman), David Low (Non-executive Director), Michael (Mick) Wood (CEO), Sharon Tinsley (FD and Company Secretary) and Paul Freud (Corporate Development director). The non-executive directors are both considered to be independent of the management and free to exercise independence of judgement.</p> <p>The Board has established procedures to identify and monitor potential or actual conflicts of interest.</p> <p>The Board is supported by the Audit, Remuneration and AIM Compliance Committees, each of which has access to information, resources and advice that it deems necessary, at the Company’s cost, to enable the committee to discharge its duties.</p> <p>The Committees’ Terms of Reference are posted on the AIM rule 26 page of Company’s website here</p> <p>The Audit Committee is comprised of the two Independent Non-Executive Directors and is chaired by David Low. The Audit Committee meets [twice] a year and is responsible for ensuring that the financial performance of the Group is properly reported and monitored and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal control systems. The external auditors will attend all meetings. The opportunity is given to the non-executive Directors to meet with the external auditors at least once a year without any executive Directors being present. In 2017-2018 there were two Audit Committee meetings with full attendance.</p> <p>The Remuneration Committee comprises of the two independent non-executive directors and is chaired by Joe Grimmond. The Remuneration Committee reviews and if appropriate sanctions remuneration proposals made by the executive Directors.</p>
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6	<p>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The skills and experience of the Board are set out in their biographical details included within the Directors' Report of the Company's Annual Report. The experience and knowledge of each of the Directors gives them the ability to constructively challenge strategy and to scrutinise performance.</p> <p>The Board comprises a range of different skills including business and financial. In addition, the Company's non-executive directors have held senior executive positions.</p> <p>The directors of the Company are:</p> <p>Joe Grimmond (Non-executive Chairman) David Low (Non-executive Director) Michael Wood (CEO) Sharon Tinsley (FD) Paul Freud (Corporate Development Director)</p> <p><u>Role of the Non-Executive Chairman: Joe Grimmond</u></p> <p>The Non-executive Chairman has overall responsibility for corporate governance and in promoting high standards throughout the Company. As well as leading and chairing the Board, the Executive Chairman's responsibilities are:-</p> <ul style="list-style-type: none"> • Committees are properly structured and operate with appropriate terms of reference; • The performance of individual directors, the Board and its committees are reviewed on a regular basis; • The Company has a coherent strategy and sets objectives against this; and • There is effective communication between the Company and its shareholders. <p><u>Role of the CEO: Mick Wood</u></p> <p>The Chief Executive Officer reports to the Non- executive Chairman (acting on behalf of the Board) and to the Board directly. The Chief Executive Officer is responsible for all executive management matters affecting the Group. All members of executive management report, either directly or indirectly, to the Chief Executive Officer</p> <ul style="list-style-type: none"> • Advises the Board on strategy and development • Advocates / promotes organisation and stakeholder change related to organisation mission • Supports motivation of employees in organisation products/programs and operations
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- Ensures staff and Board have sufficient and up-to-date information
- Looks to the future for change opportunities
- Interfaces between Board and employees
- Interfaces between organization and community

- Formulates policies and planning recommendations to the Board
- Decides or guides courses of action in operations by staff

- Oversees operations of organisation
- Implements plans
- Manages human resources of organisation
- Manages financial and physical resources

- Assists in the selection and evaluation of board members
- Makes recommendations, supports Board during orientation and self-evaluation

1. Board Administration and Support

Supports operations and administration of Board by advising and informing Board members, interfacing between Board and staff.

2. Program, Product and Service Delivery

Oversees design, marketing, promotion, delivery and quality of programs, products and services

3. Financial, Tax, Risk and Facilities Management

Recommends yearly budget for Board approval and prudently manages organisation's resources within those budget guidelines according to current laws and regulations

4. Human Resource Management

Effectively manages the human resources of the organisation according to authorised personnel policies and procedures that fully conform to current laws and regulations

5. Community and Public Relations

Assures the organisation and its mission, programs, products and services are consistently presented in strong, positive image to relevant stakeholders

Role of the Finance Director and Company Secretary: Sharon Tinsley

The roles of Finance Director and Company Secretary are combined. The Board acknowledges the QCA guidelines on this matter and consider the joint roles appropriate for the Company's size.

The Finance Director is responsible for providing financial oversight of the Group, preparing the accounts, monitoring the performance of the Group companies and reporting on financial matters to the Board. Providing financial input on acquisitions.

The Company Secretary is responsible for providing clear and timely information flow to the Board and its Committees and supports the Board on matters of corporate governance and risk. The Company Secretary has direct access to the Chairman on matters of Corporate Governance.

Role of the Corporate Development Director: Paul Freud

The Corporate Development Director is responsible in leading sales and client-relationship management, track new markets and emerging trends, recommend new products and services, propose and develop new strategic partnerships, writes proposals and plans, and guides long-term objectives to meet business needs and requirements.

- Support Coral Products PLC's role in financial planning process across the group from development of guidance for business units through completion of Board deliverables.
- Coordinate with corporate business units on various financial plan submissions.

- Prepare timely and accurate financial plan information, analysis and presentations for various financial plan review meetings.
- Perform competitive intelligence of company's peers including data outlining their financial performance and business strategies.
- Analyze and report key trends and issues impacting industry and organisation.
- Support dissemination of timely and accurate information for annual rating agency meetings and survey information.
- Identify and enforce acquisition opportunities and objectives in meaningful way.
- Manage an effective evaluation and due diligence process across functional disciplines.
- Evaluate, develop and recommend deals and optimal deal structures to ensure maximum positive results.
- Update and recommend senior management and Board of Directors regarding deal status, structure, valuation, strategic synergies, etc.
- Ensure apt roles and responsibilities for post-close integration are clear and accepted before closing an acquisition.
- Ensure closing process and agreements are handled appropriately working closely with legal, finance and other departments business partners.
- Direct and manage integration process post-close across functional departments.
- Cooperate and interact effectively with business leaders, team members and peers.

Role of the Independent Non-Executive Directors: David Low and Joe Grimmond

The role of the Independent Non-Executive Directors is to contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of the Executive Directors, provide constructive challenge and ensure that the Company is operating within the governance and risk framework approved by the Board.

Each director is responsible for maintaining the level of skill set required by their role and this is achieved by continuing professional education, technical updates from professional bodies and advisors and an active role assisting the existing Group companies.

The Board as a whole is well placed to implement the Company's strategy.

7	<p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>In the past, performance of individual Directors of the Board has been implemented as required. However, these processes will be reviewed within the next 12 months. The criteria against which the Board, Committee and individual effectiveness is considered will be established at that time.</p> <p>Responsibility for succession planning lies with the Nomination Committee. The Committee is satisfied that the Board has the skills it presently needs.</p> <p>Click here for terms of reference for Audit Committee Click here for terms of reference for Remuneration Committee</p>
8	<p>Promote a corporate culture that is based on ethical values and behaviours.</p>	<p>The Board recognises that its decisions will impact the corporate culture of the Group as a whole and that this will affect the performance of the business. The Board is also very conscious that the tone and culture that it sets will greatly impact all aspects of the Group and the way employees behave and operate. The importance of sound ethical values and behaviors is crucial to the ability of the Group to successfully achieve its corporate objectives.</p> <p>The Board has regular interaction with Group company employees and monitors corporate culture in this way. Additionally, it ensures its sound ethical practices and behaviours are deployed at Group Company board meetings.</p>
9	<p>Maintain Governance structures and processes that are fit for purpose and support good decision making by the board</p>	<p>There is normally a clear division of responsibility between the Non- executive Chairman and the Finance Director and the Independent non-executive director.</p> <p>The roles and responsibilities of each Director is set out in the response to Principle 6.</p> <p>The terms of reference of the board committees are set out in response to Principle 5.</p> <p>There are a wide range of matters reserved for the board. These include strategy, finance, corporate governance, approval of significant capital expenditure, appointment of key personnel and compliance with legal and regulatory requirements.</p> <p>The Company's governance framework is reviewed to maintain the highest levels of business performance.</p>

10	<p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>The Board recognises that meaningful engagement with its shareholders is integral to the continued success of the Group. Non-Executive Directors are kept informed of the views of the shareholders through periodic reports from the CEO, the Finance Director and the Corporate Development Director.</p> <p>The Board believes that the Annual Report, and the Interim Report published at the half-year, play an important part in presenting all shareholders with an assessment of the Group’s position and prospects. All reports and press releases are published on the Group’s website.</p> <p>The Annual General Meeting (‘AGM’) is the principal opportunity for private shareholders to meet and discuss the Group’s business with the Directors. There is an open question and answer session during which shareholders may ask questions both about the resolutions being proposed and the business in general. The Directors are also available after the meeting for an informal discussion with shareholders.</p> <p>The Committees of the Board have not previously published committee reports. Each Committee will do so in future. The first reports will appear in the accounts for the year ending 30 April 2019.</p> <p>The Board is supported by the Audit and Remuneration Committees, each of which has access to information, resources and advice that it deems necessary, at the company’s cost, to enable the Committee to discharge its duties. These duties are set out in the Terms of Reference which will be available on the website in due course.</p> <p>The Audit Committee The Audit Committee has met with the external auditors during the course of the year to monitor progress and discuss any issues arising.</p> <p>The Remuneration Committee The Remuneration Committee reviews and determines on behalf of the Board and shareholders of the Company the pay, benefits and other terms of service of the executive directors of the Company and the broad pay strategy with respect to senior Company employees.</p>
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