

# Corporate Governance Statement

Updated 9 May 2025

## Introduction

The Directors attach great importance to maintaining high standards of corporate governance to help achieve the Company's goals. The Company is pleased to be an early adopter of the QCA Corporate Governance Code 2023 (the 'QCA Code') published by the Quoted Companies Alliance, which comprises 10 Principles which was revised in 2023.

The QCA Code explains that companies need to aspire to deliver growth in long-term shareholder value, having regard to the interests of other stakeholders. This requires an efficient, effective and dynamic governance framework and should be accompanied by good communication in order to promote and retain confidence and trust. This aligns with the approach adopted by the Board of Tialis which is responsible for corporate governance.

In usual circumstances, the Chairman is responsible for corporate governance and the overall leadership of the Board and ensuring its effectiveness. This was the case throughout 2024 until 1 December 2024 when the Chairman retired from the Board. The three current directors have assumed the role of implementing good corporate governance between them until a new person is appointed to the role.

We have considered how we apply each principle to the extent that the Board judges these to be appropriate for our circumstances, and below we provide an explanation of the approach taken in relation to each.

We have identified a number of areas where we are not in full compliance with the guidelines of the QCA Code and these are Principle 6, 7, 8 and 9. We explain in detail under the relevant principle why we have departed from the guidelines in these areas.

Our objective is to secure the long-term success of the Group by establishing a sustainable and profitable operating model with an appropriate underlying cost base. The Board believes that applying sensible corporate governance practices can only help achieve our goals.

We operate in the way the Board believes is most suited to the Group at its current stage of development. The Group is lead by an experienced board, supported by a strong leadership team to enable it to focus on growing the business to secure its long-term sustainable success whilst creating long-term value for shareholders and stakeholders alike.

Good corporate governance is about ensuring that the board is set up to make robust decisions and manage risk. To do so requires having the necessary breadth of expertise and perspectives around the board table and for each voice to be appropriately heard. It is increasingly about ensuring that a healthy culture is in place which combines a strong focus on performance and a shared sense of purpose. With the appointment of the Chief Financial Officer to the Board in September 2024, the Group believes it has in place a strong leadership team and an appropriate cost base to enable it to focus on growing the business to secure its long-term sustainable success whilst creating long-term value for shareholders and stakeholders alike.

We trust that the result of our efforts to date provide stakeholders with access to the information they need and the confidence that the Board holds corporate governance compliance in the highest regard.

We set out our compliance with these Principles below. This information can also be found on our website here: <https://www.tialis.com/investors/financial-reports/>

## Principle 1 – Establish a purpose, strategy and business model which promote long-term value for shareholders.

The Group's purpose is to build value for the investors and shareholders through the development of innovative service offerings designed to reduce business IT costs and increase efficiencies for our partners and customers.

The Group's principal activity is the provision of end-to-end solutions to enterprise scale end customers, both public

and private, concentrating on end-user device management and on-site solutions. The Board's objective is to secure long-term success by establishing a sustainable and profitable operating model with an appropriate underlying cost base in order to create long-term value for shareholders and stakeholders. 2025 will see a focus on positive cash generation and building the sales pipeline with a more diverse range of partners and long term contracts. The strategy involves growing the Company with acquisitions and organic initiatives, as well as expanding the partner network.

The Board has set out its purpose, business model and strategy in the Strategic Report of the Annual Report and Financial Statements, giving further information in the Executive Director's Statement and the Financial Review about how we performed against our stated strategy. The Strategic Report includes information on the principal risks and uncertainties faced by the Group and how we have acted to reduce our exposure to risk.

The Strategic Report describes how Tialis' flexible and technically skilled workforce enable the Group to deliver and support critical services and solutions in a highly secure environment and how it seeks to differentiate itself through innovation, reliability and value. This, together with the focus on diversifying the client and partner base, underpins the Board's approach to mitigating risk and securing the Company's long-term future.

The Board will continue to monitor its progress against its stated strategy.

## Principle 2 – Promote a corporate culture that is based on ethical values and behaviours.

The Board firmly believes that delivery of the strategy and sustained success will best be achieved by adhering to our corporate culture of treating all our stakeholders fairly and with respect.

Accordingly, in dealing with each of the Company's principal stakeholders, we encourage our staff to operate in an honest and respectful manner. The Board believes that achieving a common awareness across all employees plays a major role in maintaining good employee relations. The Group's culture of honesty and respect is reflected in the continued support and dedication shown by employees to deliver value to our customers.

The Company is committed to promoting a culture based on ethical values and behaviours across the business. Policies are in place covering key matters such as bribery, protection of intellectual property and sensitive information, conflicts of interest, whistleblowing and anti-slavery. These are vigorously enforced and monitored.

In 2024, we made significant strides in strengthening our Corporate and Social Responsibility, including engaging external auditors and enhancing several key sustainability and decarbonisation functions within the business.

To reinforce these commitments, we require staff to complete several mandatory online training courses on either an annual or 18-month basis. These cover both compliance and culturally driven values. Current completion rates include:

- Anti-Bribery – 84% of staff up to date
- Bullying and Harassment – 77% up to date
- GDPR (Advanced and Refresher) – 75% up to date
- Equality, Diversity and Inclusion – 70% up to date

Our HR team provides regular reports to managers with course completion data to ensure accountability and continued progress.

Central to the Company's culture and values are Collaboration, Excellence, Ethical, Agile, Honest and Ownership. Information on how the Company's beliefs are applied to the business is set out on the website here.

<https://www.tialis.com/careers-at-tialis/>

### *Certifications*

The Company is proud to have been awarded ISO/IEC 20000-1, ISO 9001, ISO 27001 and ISO 14001.

The Company is proud to have been awarded Cyber Essentials and Cyber Essentials Plus.

This has resulted in a number of external ratings including achieving a silver award from Ecovadis.

## Principle 3 – Seek to understand and meet shareholder needs and expectations.

Tialis Group is committed to open communication with all its shareholders. With the largest shareholder owning over 75 per cent of the Company's voting rights, the Board is conscious of the need to protect minority shareholders and act in the best interest of all shareholders. The Company's nominated adviser is consulted before any corporate action is undertaken as a further check on meeting the needs of all shareholders.

Copies of the Annual Report and Financial Statements are issued to all shareholders who have requested them and copies are available on the Group's investor website [www.tialis.com](http://www.tialis.com). The Group's interim results are also made available on the website. The Group makes full use of its investor website to provide information to shareholders and other interested parties.

The Board reviews proxy voting reports and any significant dissent is discussed with relevant shareholders and, if necessary, action is taken to resolve any issues. In compliance with best practice, the level of proxy votes (for, against and vote withheld) lodged on each resolution is declared at all general meetings and announced.

The Company values the views of its shareholders and recognises their interest in its strategy and performance. The Board believes it is important to explain business developments and financial results to its shareholders and to understand their concerns. Shareholders are given the opportunity to raise questions at the Annual General Meeting ("AGM") and the Directors are available both before and after the meeting for further discussion with shareholders.

Until December 2024, the Non-Executive Chairman was primarily responsible for communicating with investors. Since the Chairman's resignation from the Company, this responsibility has been assumed by Ian Smith, Executive Director. The role will revert to a new Chairman when appointed.

Meetings via the Company's broker are offered to major institutional shareholders to discuss strategy, financial performance, governance matters and investment activity immediately after the full year and interim results announcements. The Directors are available to meet with major shareholders if such meetings are requested. Feedback from such meetings with shareholders is provided to the Board to ensure the Directors have a balanced understanding of the issues and concerns of major shareholders.

The Board receives share register analysis reports to monitor the Company's shareholder base and help identify the types of investors on the register.

## Principle 4 – Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long-term success.

The Group recognises its employees, customers, suppliers, advisors, banks and shareholders as forming part of the wider stakeholder group. Management identifies key relationships within the business and effort is directed to ensuring these relationships are managed appropriately. Regular reviews are undertaken to ensure any issues are addressed promptly.

The Board reviews its top clients and suppliers in its Board meetings and these are identified in packs provided to the Board.

The Company has a good relationship with its Nomad, broker and other advisers. Feedback from investors is provided by the broker as well as through direct engagement with investors by the Board.

The Company meets frequently with customers and communicates regularly with suppliers. There is a feedback system in place and issues raised can be addressed.

The Company's internal stakeholders are its employees. The Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of ethnic origin, religion, political opinion, gender, marital status, disability, age, sex or sexual orientation. The executive directors have regular meetings with senior management and their teams to discuss and monitor new initiatives and training is available.

The Group is committed to delivering solutions and services that create long-term value for all stakeholders, including clients, employees, investors, and wider society. Our approach integrates environmental sustainability, social impact, and ethical business practices into our decision making.

## *Sustainability & Environmental Responsibility*

The Tialis team are experts in delivering high-quality, cost-effective and sustainably focused managed IT solutions for businesses in a range of sectors. The team appreciates the financial and technical limits of organisations and considers the impact of our work on the environment and society. Tialis actively seeks to minimise its own operational footprint, with initiatives focused on reducing energy use, material waste, and carbon emissions.

At Tialis, we are committed to reducing our environmental impact and we are proud of the progress we have made.

In 2023, we achieved ISO 14001 accreditation, a key milestone that reflects our dedication to sustainable practices. Our company car fleet is already made up of hybrid vehicles, and we are aiming for a fully hybrid or electric fleet by 2030.

Our people are at the heart of this commitment. Environmental awareness is part of our culture, with mandatory annual training for all staff. So far, 95% of our team is fully up to date.

The Company's environmental policy is available to view on the website:  
<https://www.tialis.com/wp-content/uploads/2023/06/Environmental-Policy.pdf>

The Company's carbon reduction plan is available to view on the website:  
<https://www.tialis.com/wp-content/uploads/2024/11/Tialis-Carbon-Reduction-Plan-2023-v1.1.pdf>

The Company's waste management policy is available to view on the website:  
<https://www.tialis.com/wp-content/uploads/2024/09/Tialis-Waste-Management-2023.pdf>

## *Social Responsibility*

Tialis, are proud to support our local community.

We recently partnered with a school in Dartford for a creative challenge, inviting students to design artwork inspired by local landmarks. The winning entries now brighten our head office, and to keep the creativity flowing, we also donated art supplies to the school.

We are also proud to back local sport. For the 2024/2025 season, Tialis sponsored a local Under-8s football team, providing brand-new training gear. In September, the team steps up to the Under-9s league and moving into 7-a-side football. Training is now focused on building skills and growing team spirit.

We are proud to be part of their journey and excited to continue supporting our community going forward.

## *Staff policies*

The Group's employment policies are designed to ensure that they meet the statutory, social and market practices in the United Kingdom. The Group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Group is encouraged, as achieving a common awareness on the part of all employees on the financial and economic factors affecting the Group, plays a major role in maintaining its relationship with its staff.

The Group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitude and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Group. If members of staff become disabled, the Group continues employment, either in the same or an alternative position, with appropriate retraining being given, if necessary.

The Board believes that its investment in the wider stakeholder network is expected to assist the Company's management in achieving its long-term goals creating an environment of trust and communication which will have positive implications for the long- term success of the Company.

**Principle 5 – Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.**

Risk assessment and evaluation is an essential part of the Company's planning and an important aspect of the Group's internal control system. The business and management of the Company and its subsidiaries are the collective responsibility of the Board. At each meeting, the Board considers and reviews the trading performance of the Group. The Board has a formal written schedule of matters reserved for its review and approval. These include the approval of the annual budget, major capital expenditure, investment proposals, the interim and annual results and a review of the overall system of internal control and risk management.

The Board regularly identifies the most critical current and emerging risks and challenges facing the business and to take the necessary steps to mitigate these risks by strengthening its control systems. The revised and refined system of risk management is designed to manage rather than eliminate the risk of failure to achieve business objectives and is explained in the Strategic Report under the heading Principal Risks and Uncertainties. The Board has established a risk register which is bespoke to the Group's business. At least twice a year the risk register is reviewed and the Board considers the appropriateness of the risks identified and the mitigating action taken by management on a risk by risk basis with a particular focus on those deemed most critical. Where required, action is taken to ensure that controls in place are sufficiently robust to manage the identified risks.

The appointment to the Board of the Group's Chief Financial Officer in September 2024 strengthened the Group's approach to risk management, internal controls and assurance activities. Nicola Chown has introduced new financial and operational processes and has been central in the integration of new systems and in implementing strategic and cost cutting measures.

Diversifying the client base and reducing reliance on a single partner has significantly reduced the Group's commercial risk along with developing the LlifeCycle offering.

Tialis follow best security practices and employ cyber security professionals, all access to 365 data is locked down to region and security groups are used to gain access to data using least privilege access. We are 27001 as well as Cyber Essentials Plus certified and have a cyber secure score of 100%.

All access is constantly monitored and reviewed, we implement single sign on and authentication requires a multi factor authentication across all platforms. Data is controlled via labels and we implement Data loss prevention, logs are centrally stored and cyber anomalies are monitored using Microsoft Sentinel.

We promote cyber awareness via mandatory training, all hands communications, email communications and Phishing campaigns.

Our secure facility is alarmed and monitored 24/7, using technologies such as pressure sensors, each area within the facility requires key fobs with controlled access to secure areas. The facility is protected by an uninterrupted power supply and our data communication lines in to the facility are built resilient of failure.

In a meeting of the audit committee in January 2025 in which planning for the audit of the 2024 financial statements was discussed, it was agreed that the appointed auditors met the criteria for auditor independence and no ethical issues were identified. It was noted that the auditor performs the annual audit and review of interim results but does no other work for Tialis. Tialis has a separate independent tax adviser.

**Principle 6 – Establish and maintain the board as a well-functioning, balanced team led by the Chair.**

Following changes to the board in 2024 including the resignation of its non-executive chairman in December 2024, the Group does not currently have a chairman in place. It intends to appoint a non-executive chairman at the appropriate time. Normally, the Chairman is responsible for corporate governance and the overall leadership of the Board and ensuring its effectiveness and this was the case throughout 2024 until December. Due to the current circumstances, the Group's Executive Director has assumed this role as a short-term measure whilst a new chairman is identified and the Board has responsibility for ensuring that the day-to-day activities and decisions of senior management are focused and aligned with the Group's medium and long-term strategy.

Ian Smith is an Executive Director and he led the Group's strategic and operational review in 2018. Ian is the Chief Executive Officer and a substantial shareholder of MXC Capital which is a substantial shareholder of the Company and as such is not considered to be an independent director. Ian is a member of the Audit and Remuneration Committees.

Nicola Chown, a chartered accountant, has been the Chief Financial Officer of Tialis since 2021 and was appointed to the board in September 2024. She oversees the financial operations of the Group as well as the HR, property and legal teams. is a highly experienced finance professional with over twenty years' experience in finance and business development leadership roles. Nicola has introduced financial and operational processes and has been central in the integration of new systems and in implementing strategic and cost cutting measures. Nicola is a member of the Remuneration Committee.

Matthew Riley was appointed as a Non-Executive Director on 1 February 2023 following the purchase of profitable partner contracts from Allvotec, a division of Daisy group. Matthew was the founder and chairman of Daisy Group and he led Daisy Communications Ltd and Daisy Group through rapid growth to become one of the UK's leading end-to-end business technology and communications service providers. Matthew is an independent director and a chair of the Remuneration Committee and the Audit Committee.

Nicolas Bedford, who was appointed as an independent Non-Executive Director on 3 January 2023, became independent Non-Executive Chairman in September 2024 following the resignation of Andy Parker. Nick Bedford was chairman until December 2024 when he retired from corporate work.

The Board currently comprises one Non-Executive Director and two Executive Directors, supported by senior managers, and it oversees and implements the Company's corporate governance programme. Normally the chairman of Tialis leads the Board and is responsible for the Company's approach to corporate governance and the application of the principles of the QCA Code and this role will be resumed when a new chairman is appointed.

Each board member commits sufficient time to fulfil their duties and obligations to the Board and the Company. They attend regular board meetings and join ad hoc board calls and offer availability for consultation when needed. The contractual arrangements between the Directors and the Company specify the minimum time commitments which are considered sufficient for the proper discharge of their duties. However, in exceptional circumstances all board members understand the need to commit additional time.

Detailed board packs include information on the business units and financial performance and are circulated ahead of board meetings. The format of the board pack has evolved with new metrics added to assist the board in evaluating several performance measures. Key issues are highlighted and explained, providing board members with sufficient information to enable a relevant discussion in the board meeting.

With the adoption of the 2023 QCA Code, all Directors are required to retire by rotation and seek re-election annually.

## *Departures from the Code*

Since December 2024 there has been no chairman and only one independent director on the Board following the resignation of Nicolas Bedford. Until that point, there had been two independent directors in 2024. This means there is currently one independent director in both the Audit Committee and the Remuneration Committee. The Board recognises that this is a departure from the Code and will seek to rectify the situation at the earliest opportunity.

## *Board and committee meetings*

The Board is supported by its Audit Committee and its Remuneration Committee.

Attendances of Directors at Board and committee meetings convened in 2024, and which they were eligible to attend, are set out below:

Director	Board Meetings Attended	Remuneration Committee Attended	Audit Committee Attended
Number of meetings in year	10	2	2
Andy Parker	7/7	N/A	2/2
Ian Smith	10/10	2/2	N/A
Nicolas Bedford	9/9	1/1	2/2
Matthew Riley	7/10	1/2	N/A
Nicola Chown	3/3	2/2	N/A

## Principle 7 – Maintain appropriate governance structures and processes and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.

The principal governance structures and processes of the Company and its subsidiaries are the collective responsibility of the Board and its Committees. At each Board meeting, the Board considers and reviews the trading performance of the Group. The Board has a formal written schedule of matters reserved for its review and approval. These include the approval of the annual budget, major capital expenditure, investment proposals, the interim and annual results and a review of the overall system of internal control and risk management.

### **Audit Committee**

The duties of the Audit Committee include reviewing, in draft form, the Company's annual and half-yearly report and accounts and providing advice to the Board. Members of the Audit Committee are also responsible for reviewing and supervising the financial reporting process and internal control systems of Tialis Group. The Audit Committee is currently comprised of one Non-Executive Director and one Executive Director. Both members have extensive listed company transaction experience.

### **Remuneration Committee**

The Remuneration Committee is responsible for determining the policy for Directors' remuneration and setting remuneration for the Company's chair, executive Directors and senior management including share option schemes and any bonus arrangements. No director plays any role in determining his or her own remuneration. The Remuneration Committee is currently comprised of one Non-Executive Director and two Executive Directors. The Remuneration Committee met twice in 2024 to discuss the pay structure for a senior manager which included a partial increase in salary plus a further increase subject to certain objectives being met. The Remuneration Committee made its recommendation to the Board.

The members of the Board and their experience and skills etc are set out in the Directors' Report and Financial Statements identifies the members of the Board at the time of publication and describes the relevant experience, skills and qualities they bring.

The Board believes it has a suitable mix of skills and competencies in order to drive the Group's strategy and is best placed to secure the future of the Company and create long-term value for all stakeholders although it acknowledges a new Chairman is required. The directors possess a range of skills with commercial, financial, public markets and technology sector expertise. The directors believe that their combined capabilities enable them to inform and oversee the implementation of the Company's strategy for the benefit of its shareholders.

Board members are encouraged to take on external roles that do not conflict with their directorship. Several directors hold external positions that contribute to their professional development and the company's strategic insights. If required, the Directors are entitled to take independent legal advice.

The nature of the Company's business requires the Directors to keep their skillset up to date. Periodic updates to the Board on regulatory matters are given by Company's professional advisers. The Company retains the services of its



financial adviser and Nomad, accountants, tax adviser and lawyers who are consulted on any significant matters where the Board believes external expertise is required. The instances where external advice was sought in 2024 were in relation to compliance with the AIM Rules and various legal matters such as the restructuring of several subsidiary companies.

External advisers attend board meetings as invited by the Chairman to report and/or discuss specific matters relevant to the Company and the markets in which they operate. Additionally, MXC Advisory Limited, which is part of the same group as the significant shareholder MXC Capital Limited, is a retained financial adviser principally focused on acquisitions and provides the services of Ian Smith, Executive Director.

The qualified Company Secretary advises the Board on corporate governance and regulatory matters, attends the Board meetings and reports directly to the Chairman on governance matters. In keeping with best practice as set out in the QCA guidelines the Company has split the role of Chief Financial Officer (who attends the board whilst not a statutory director) and Company Secretary.

Ian Smith is primarily responsible for communicating with investors. When a chairman is appointed, he or she will share this responsibility.

### ***Departures from the Code***

Following the resignation of the independent Non-Executive Chairman in December 2024, there is only one independent director who has joined the Audit Committee and was already a member of the Remuneration Committee, Matthew Riley. The Board recognises that this is a departure from the Code and intends to rectify the situation when a new chairman is appointed.

### **Principle 8 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.**

The Board regularly reviews the effectiveness of its performance as that of its committees and individual Directors, a process that is normally overseen by the Chairman. Board members are encouraged to participate in board meetings by asking questions, discussing issues, challenging others and providing input. The Directors' Report in the Annual Report and Financial Statements identifies the members of the Board at the time of its publication and describes the relevant experience, skills and qualities they bring.

The Remuneration Committee meets when necessary to consider the appointment of new directors and makes recommendations to the Board which has overall responsibility for appointments and succession planning. Board appointments are made after consultation with advisers in all cases and with major shareholders in some cases. The Nomad undertakes due diligence on all new potential board candidates. Board members all have appropriate notice periods so that if a board member indicates his/her intention to step down, there is sufficient time to appoint a replacement, whether internal or external.

### ***Departures from the Code***

The Board has not undertaken an externally facilitated review for some years. This is a matter to be considered when a new chair is appointed. The Board accepts it needs to strengthen its succession planning and intends to do so.

### **Principle 9 – Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture**

The Board firmly believes that sustained success will best be achieved by adhering to our corporate culture of treating all our stakeholders fairly and with respect. To this end, the Board believes it has established a remuneration policy to reflect the Company's purpose, strategy and culture and therefore supports the aim of long-term value creation. The policy is designed to motivate and reward management

The Remuneration Committee is responsible for determining and agreeing with the Board the framework for the remuneration of Executive Directors and other designated senior executives and, within agreed terms of reference, determining the total individual remuneration packages of such persons, including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of Non-Executive Directors is a matter for the Executive Directors. No director is involved in any decision as to his or her own remuneration or benefits.

There were two meetings of the Remuneration Committee in September and December 2024 in which the salary of a



senior member of the management team and objectives were discussed before a recommendation was made to the Board.

#### *Remuneration Policy*

The Remuneration Committee is aware that the remuneration package should be sufficiently competitive to attract, retain and motivate individuals capable of achieving the Group's objectives and thereby enhancing shareholder value.

#### **Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.**

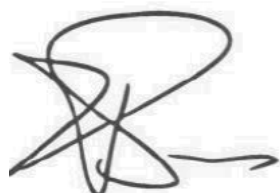
The Company reports formally to its shareholders and the market generally twice each year with the release of its annual and interim results. The full year results are audited by an external firm of auditors.

The Annual Report and Financial Statements set out how the corporate governance of the Company has been applied in the period under review. Also included are reviews of the Company's sustainability activities and employee gender analysis.

These reports contain full details of all the principal events of the relevant period together with an assessment of current trading and future prospects and the reports are made available via the Company's website to anyone who wishes to review them.

The Group maintains a regular dialogue with its key stakeholders including shareholders to enable interested parties to make informed decisions about the Company and its performance with all members of the Board actively involved in this. The Board believes that transparency in its dealings offers a level of comfort to stakeholders and an understanding that their views will be listened to. The Board intends to continue its policy of communication for the mutual benefit of the Company and its stakeholders.

The Board discloses the result of general meetings by way of announcement and discloses the proxy voting numbers to those attending the meetings. In the event that a significant portion of voters vote against a resolution, an explanation of what actions the Board intends to take to understand the reasons behind the vote will be included.

A handwritten signature in black ink, appearing to be 'Ian Smith', with a stylized, looped design.

Ian Smith  
Executive Director  
Date: 9 May 2025