



earnz

plc

Formerly Verditek Plc

Governance report

BOARD OF DIRECTORS

The Directors of EARNZ plc as at the date of signing the report and accounts comprised:

Bob Holt OBE

(Executive Chair)⁽¹⁾ – appointed 29 February 2024

Bob Holt is a highly accomplished executive with over 35 years' experience in senior leadership roles across various sectors, most recently serving as CEO of Revolution Beauty Plc after joining its board as interim COO. Prior to that, he successfully led Sureserve Group Plc as Chair, overseeing its successful turnaround that resulted in over a fivefold increase in the company's share price. He is perhaps most widely known for his role in the rise of Mears Group PLC. Since being appointed as Chair in 1996, he guided the company through its successful IPO on AIM and played a pivotal role in building its order book value to £3 billion, establishing Mears as a market leader in its sector. Bob has been awarded the OBE for his services to philanthropic causes.

⁽¹⁾ On completion of the acquisition of A&D Bob Holt will be appointed as Non-Executive Chair for the Company

John Charlton

(Executive Director and Company Secretary)⁽²⁾ – appointed 29 February 2024

John Charlton spent 28 years in various senior corporate banking and risk management roles within Barclays plc, specialising latterly in listed business service companies. He joined Sureserve Group plc as Group Company Secretary in 2017 and assisted with the successful turnaround of that business. In addition, John is Trustee and Chair of The Sureserve Foundation.

⁽²⁾ On completion of the acquisition of C&D John Charlton will resign as director of the Company and will remain as Company Secretary

Elizabeth Lake FCA

(Chief Financial Officer) – appointed 3 June 2024

(appointed non-executive director from 13 March 2024 – 3 June 2024)

Elizabeth is an accomplished executive with more than 25 years' finance and commercial experience. Previously, Elizabeth joined the board of Revolution Beauty Group as CFO in May 2022 and was instrumental in turning around the business following the suspension of its shares from trading on AIM. Prior to Revolution Beauty, she was CFO of AIM quoted, Everyman Media Group. During her time at Everyman, Elizabeth successfully led the company through the challenges presented by the Covid 19 pandemic, demonstrating her ability to navigate uncertainty with strong financial and operational acumen. Prior to Everyman, Elizabeth was Chief Financial Officer at AIM quoted, Science in Sport, and before that finance director at Hugo Boss UK and Ireland. She brings extensive UK plc experience to EARNZ having also worked in finance roles at Marks & Spencer, Pearson and Thomson Reuters. Elizabeth is ACA qualified having trained at Coopers and Lybrand (now PwC).

Linda Main

(Senior Independent Director) – appointed 1 May 2024

Linda is a chartered accountant who retired from KPMG LLP in September 2023 after a long career leading its Capital Markets Advisory Group. Linda has advised on well over 100 IPOs and significant transactions by listed companies of all sizes ranging from start ups to members of the FTSE

100. She was also a member of the UK board of KPMG where she chaired the Risk Committee and sat on the Audit Committee. Until December 2023, Linda was a member of the London Stock Exchange's AIM Advisory Group and earlier in her career sat on a number of the Quoted Companies Alliance ("QCA")'s technical committees. She also sits on the QCA board. Linda is a Trustee of Carers Trust, a leading charity working to transform the lives of unpaid carers. Linda chairs the Company's Audit and Remuneration committees.

Sandra Skeete (Independent Non-Executive Director) – appointed 3 June 2024

Sandra has over 25 years' experience working in social housing, holding senior roles in organisations such as the Peabody Trust and Refugee Housing Association Limited, and was previously a director of One Housing Group and the Duke of Lancaster Housing Trust. She was the Chief Executive of Octavia Housing Association Group, a not-for-profit organisation offering social housing and care services for vulnerable members of the community in central and west London. She was previously a non-executive board associate of Principality Building Society. Sandra sits on the Company's Audit and Remuneration committees.

Directors in post during the year included:

Rob Richards (Chief Executive Officer) – resigned 29 February 2024

The Rt Hon. Lord David Willetts frs (Non-Executive Chair) – resigned 29 February 2024

George Katzaros (Non-Executive Director) – resigned 29 February 2024

Gavin Mayhew (Non-Executive Director) – resigned 2 January 2024

The Board and responsibilities

The Board holds monthly meetings to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals. There is an Audit Committee and a Remuneration Committee in place with formally delegated duties and responsibilities and with specific terms of reference. From time-to-time separate committees may be set up by the Board to consider specific issues when the need arises. Due to the size of the Group, the Directors have decided that issues concerning the nomination of directors will be dealt with by the Board rather than by a committee but will regularly reconsider whether a nominations committee is required.

Details of board meetings held in the reporting period, and attendance of Board directors is shown below:

Board Members	Eligible to attend	Attended
Executive Directors		
Lord David Willetts (resigned 29 February 2024)	2	2
Rob Richards (resigned 29 February 2024)	2	2
George Katzaros (resigned 29 February 2024)	2	2
Bob Holt OBE (appointed 29 February 2024)	17	16
Elizabeth Lake FCA (appointed Non-Executive Director 13 March 2024 and as Chief Financial Director 3 June 2024)	16	16
John Charlton (appointed 29 February 2024)	17	17
Non-Executive Directors		
Linda Main (appointed 3 June 2024)	14	14
Sandra Skeete (appointed 1 May 2024)	12	8

The Audit Committee

The Audit Committee comprises Linda Main (appointed 1 May 2024) as Chair and Sandra Skeete (appointed 3 June 2024). At the beginning of the year, the Audit Committee comprised The Rt Hon. Lord David Willetts FRS (resigned 29 February 2024) as Chair and Gavin Mayhew (resigned 2 January 2024). Elizabeth Lake

(appointed 13 March 2024) joined the Audit Committee temporarily on 1 May 2024 whilst she was a non-executive director, and was replaced by Sandra Skeete on 3 June 2024.

The Audit Committee determines the terms of engagement of the Group's auditors and will determine, in consultation with the auditors, the scope of the audit.

The Audit Committee receives, and reviews reports from management and the Group's auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee has unrestricted access to the Group's auditors. The Audit Committee Report is presented on page 22.

Governance

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The Remuneration Committee

The Remuneration Committee comprises Linda Main (appointed 1 May 2024) as Chair and Sandra Skeete (appointed 3 June 2024). At the beginning of 2024, the Remuneration Committee comprised George Katzaros (resigned 29 February 2024) as Chair and Gavin Mayhew (resigned 2 January 2024).

The Remuneration Committee reviews the scale and structure of the executive Directors' and senior employees' remuneration and the terms of their service or employment contracts, including share option schemes and other bonus arrangements. The remuneration and terms and conditions of the non-executive Directors are set by the entire Board. The Directors' Remuneration Report is presented on pages 23-24.

Investor relations

The Annual General Meeting is the principal forum for dialogue with shareholders. Updates on the progress of the business are regularly published on the Group's website.

On behalf of the Board

Bob Holt OBE

Executive Chair

26 June 2025

Corporate governance report

The Chair has overall responsibility for corporate governance and good corporate governance is central to the Group’s approach to creating sustainable growth and enhancing long-term shareholder value. The Directors are expected to always act ethically and responsibly, reflecting the Group’s core values.

The Directors recognise that good corporate governance is a key foundation for the long-term success of the Group. As the Company is listed on the AIM market of the London Stock Exchange it is subject to the continuing obligation of the AIM Rules. The Board has therefore adopted the principles set out in the Corporate Governance Code for small and mid-sized

companies published by the Quoted Companies Alliance (the “QCA Code”).

The principles are listed below with an explanation of how the Company applies each principle, and what we do and why.

a clear and transparent manner by releasing a market announcement and by including it on the Company website.

QCA Code Principle	Application (as set out by QCA)	What we do and why
1. Establish a strategy and business model which promote long-term value for shareholders	The Board must be able to express a shared view of the company’s purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long term. It should have specific long-term objectives against which it can assess whether the Company is delivering on its purpose. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	The Company’s strategy is explained fully within the Chair’s Review section of the Report and Accounts for the year ended 31 December 2024. Our strategy is identifying potential acquisitions in the energy services sector, to create a consolidated Group with scale and breadth of offering in the energy services sector, growing revenues and profitability. The key challenges to the business and how these are mitigated are detailed on page 8 of the Report and Accounts for the year ended 31 December 2024.

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
2. Promote a corporate culture that is based on ethical values and behaviours	The Board should embody and promote a corporate culture that is based on sound ethical values and which is supportive of the delivery of the Company's established purpose, strategy and business model. The desired culture should be reflected in the actions and decisions of the Board and executive management team. Corporate values should guide the objectives and the strategy of the Company.	The Corporate and Social Responsibility section on page 25 of the Report & Accounts for the year ended 31 December 2024 details the ethical values of the Company.
	The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system throughout the Company should reflect and reinforce the maintenance of this culture. The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other communications by the Company, both internal and external.	The Company's policies and procedures on Data Protection; Disciplinary, Dismissal and Grievance; Ethics; Share Dealing; Social Media; and Speak-Up were reviewed and updated as required and amended policies were approved by the Board during the year. The Board continues to review policies and will amend as required. These policies and procedures are made available to staff and consultants and anti-bribery and anti-corruption training and data protection training is mandatory. Staff and consultants are encouraged to ask questions and seek clarifications from senior members of the team on these policies and procedures.

QCA Code Principle	Application (as set out by QCA)	What we do and why
3. Seek to understand and meet shareholder expectations	Directors must develop a good understanding of the needs and expectations of all elements of the Company's shareholder base.	Whilst the Company is early stage, the Board is committed to returning value to shareholders through execution of our strategy
	The Board should ensure proactive engagement with shareholders on governance matters. This should be led by the Chair or, where appropriate by the Senior Independent Director. Other Directors such as the chairs of the Boards sub-committees, should make themselves available for engagement with shareholders.	The Board recognises the AGM as an important opportunity to meet shareholders. All the Directors are available to listen to the views of shareholders informally immediately after the AGM The people responsible for shareholder liaison are: <i>The Chair</i> <i>The Executive Directors</i> <i>NOMAD (Shore Capital)</i>
	The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions	The Company's website maintains a channel to provide information and receive feedback from all stakeholders. In addition the Company will present results directly to Investors and provide opportunities for questions at the AGM
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long term success.	<p>Long-term success relies upon good relations with a range of different stakeholder groups.</p> <p>The Board should periodically identify the company's key stakeholders – for example suppliers, customers, employees, communities, regulators, or others. The Board should understand their needs, interests and expectations.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all shareholders.</p> <p>The Company should devote particular attention to its workforce and ensure that its practices towards its employees (direct and indirect) are consistent with the Company's values. Arrangements should be in place to enable employees to raise concerns in confidence and processes to ensure that such matters are considered and where appropriate actions are taken.</p>	<p>The executive maintained communications with trade and interest groups working in the markets where its products are sold and applied.</p> <p>A number of mechanisms are in place to solicit feedback from shareholders including the Company's website and face to face meetings as well as the AGM</p> <p>Going forward, much of the Group's business will be involved in decarbonisation of public, commercial and private buildings.</p> <p>The Company has a whistleblowing policy in place which is given to all new employees. This provides a confidential mechanism for employees to raise concerns.</p>

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
	<p>The governance and appropriate oversight of a Company's approach towards relevant environmental and social issues is a responsibility of the Board. Matters that relate to the Company's impact on society, the communities within which it operates, or the environment – including those relating to or stemming from climate change – have potential to affect the Company's ability to deliver shareholder value over the medium to long term. These matters must be integrated into the Company's strategy, risk management and business model.</p>	<p>The business model is focussed on decarbonisation of buildings in the public, commercial and private sector, together with energy efficiency.</p> <p>The culture of the business reinforces social and environmental responsibility.</p>
5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation.	<p>The Board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver on its stated purpose and strategy. Companies need to consider not only the enterprise view but also their extended business, including the company's entire supply chain, other material third parties (including suppliers of outsourced services) and any reliance on strategic partners.</p>	<p>Risk management on pages 8-9 of our Annual Report and Accounts details the risks to the business and how these are mitigated.</p>
	<p>Setting strategy includes determining the extent of exposure to the identified principal risks that the Company is able to bear and willing to take (risk tolerance and risk appetite). The Company should ensure that a balanced view of risk is achieved, and, as well as threats should consider opportunities and the potential for value creation.</p>	<p>The Board considers risks to the business at its monthly meetings and reviews the principal risks to the business and the risk register quarterly.</p>
	<p>The Board should ensure that all potential risks are considered, on a proportionate and material basis, including those relating to climate change.</p>	<p>Risks are reviewed in the business monthly and quarterly by the Board.</p>
	<p>The Board should review and consider whether the Company's enterprise wide controls are sufficiently robust to manage the identified risks adequately.</p>	<p>The enterprise-wide controls are continually reviewed and the FPPP (Financial Position and Prospects Procedures) manual updated if required.</p>

QCA Code Principle	Application (as set out by QCA)	What we do and why
	To achieve effective risk management, the Board, and in particular the audit committee, must ensure that there are appropriate assurance activities in operation. This may be based on access to internal resources, or particularly in specialist or technical areas, the utilisation of external experts.	All Board members are entitled to engage external experts as part of their roles where they see fit.
	It is important to ensure that the Company auditor is and is seen to be sufficiently independent of management.	The Company's auditor HaysMac is independent of management.
6. Establish and maintain the Board as a well-functioning, balanced team, led by the Chair.	The Board members have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. The Board should not be dominated by one person or a group of people, and each Director must be able to commit the time necessary to fulfil their role. Ultimate responsibility for the quality and effectiveness of the Board lies with the Chair.	All members of the Board are experts in their fields with no one individual dominating. All Directors are seasoned Board members and understand the responsibilities of being a company Director.
	Shareholders should be given the opportunity to vote annually on the (re-) election of all individual Directors to the Board.	The shareholders have the opportunity annually at the AGM to vote for the (re-) election of all the Directors
	In order to uphold the quality of Board independence, the Board should be comprised of an appropriate balance between executive and non-executive Directors. The independent non-executive Directors should comprise at least half of the Board. The Chair, if independent upon appointment and still considered independent can be included in this calculation. However, as a minimum there should be at least two non-executive Directors whom the Board considers to be independent.	The new Board comprises 3 executive Directors and 2 non-executive Directors. The 2 non-executive Directors are independent.

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
	Key committees, in particular the audit committee, should comprise at least a majority of independent NEDs and ideally aim for full independence. The Company should consider whether it is appropriate to have a senior independent Director.	Both the audit and remuneration committees comprise non-executive Directors only, with Linda Main being the Senior Independent Director.
	Boards should be sensitive to both real and perceived impediments to independence. Consideration should be given to those factors which may impede independence which include length of Board tenure, size of shareholding, prior and/or current commercial or contractual relationships with the Company; prior and/or current commercial or contractual relationships with executive Directors; and significant pay arrangements beyond a Director's fee.	The Board is relatively newly constituted. Any related parties are excluded from Board discussions concerning their interests to maintain independence. Directors' remuneration is set by the Remuneration Committee which comprises the non-executive Directors.
7. Maintain appropriate governance structures and ensure that individually and collectively the Directors have the necessary up-to-date experience, skills and capabilities.	The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its: <ul style="list-style-type: none"> • size and complexity; and • capacity, appetite and tolerance for risk. 	The Corporate Governance report on page 13 details the Company's governance structures and why they are appropriate and suitable for the Company.
	The governance structures processes and policies should evolve in parallel with its size, strategy and business model to reflect its maturity and stage of development. The Board should be supported by committees – typically at least an audit, remuneration and nominations committee – that also have the necessary skills and knowledge to discharge their duties and responsibilities effectively.	The Board has a formal schedule of matters reserved for the Board and is supported by the Audit and Remuneration committees. Due to the size of the Company, the Board has decided that issues concerning the nomination of Directors will be dealt with directly by the Board but will reconsider on a regular basis whether a Nominations committee is needed. The Audit and Remuneration committees have specific terms of reference under which they operate.

QCA Code Principle	Application (as set out by QCA)	What we do and why
	The Board should ensure it has the necessary skills and experience to fulfil its governance responsibilities, including among other things with respect to cyber security, emerging technologies, and relevant sustainability matters such as climate change. The Board should consider any need to establish further dedicated sub-committees and, where appropriate, seek input from external advisors on such matters.	The Directors have a proven track record of previously serving on Boards. Where an expert view is needed the Board will seek input from external advisers
	All Directors should continually update their skills and knowledge. As the Company and the external environment evolves, the mix of skills and experience required on the Board will change. The Board should consider its training and development needs in this context, plan ahead and structure such provision accordingly	Further information about the Board's skillset, including each Director's biography is set out on the Company website and additional information is set out on page 8 in this report. Each director attends industry events and seminars to continually update their skills and knowledge.
	The Board (and any committees) should be provided with high quality information in a timely manner to facilitate the proper assessment of the matter requiring decision or insight. The Board should consider this and the design and implementation of its decision making processes to ensure they are effective.	Through the FPPP process a new Board pack has been developed and this will continue to evolve as the business grows.

Corporate governance report *continued*

QCA Code Principle	Application (as set out by QCA)	What we do and why
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.	The Board should regularly review its performance as a unit, as well as that of its committees and the individual Directors.	The Board is relatively new, a performance evaluation process will be developed.
	<p>The Board performance review should be carried out on an annual basis and include opportunities for improvement with respect to the performance of the Chair, and the operation of the Board and its committees. The review should identify development or mentoring needs of individual Directors and/or the senior management team.</p> <p>The annual review can be carried out internally and should, ideally, be supplemented periodically by an external independent third-party review.</p> <p>It is healthy for membership of the Board to be periodically refreshed. No member of the Board should become indispensable.</p> <p>Succession planning for both executives and non-executives is a vital task for Boards. This should extend to contingency planning for the absence of key staff. There should be a robust process for the orderly appointment of new Directors to the Board and senior management positions. Consideration should be given to establishing a nominations committee to help with the process and ensure a diverse pipeline – both internally and externally – for succession. The skills, experience, capabilities and background required for Directors and senior management to support the next stage of the Company's development should be identified and factored into succession planning.</p>	The annual review process will be implemented following the appointment of the CEO, together with succession planning.
9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose and culture	It is the Boards responsibility to establish an effective remuneration policy which is aligned with the Company's purpose, strategy and culture, as well as its stage of development.	The Remuneration Committee has been established comprising 2 independent non-executive Directors. The Committee are reviewing the remuneration strategy on a regular basis.
	A remuneration policy should motivate management and promote the long-term growth of shareholder value. Remuneration practices across the Company, in particular for senior management, should support and reinforce the desired corporate culture and promote the right behaviours and decisions.	The remuneration policy includes long term incentive schemes to promote long term growth of shareholder value.

QCA Code Principle	Application (as set out by QCA)	What we do and why
	Pay structures for senior management should be simple and easy for participants to understand and foster alignment with shareholders through the building and the holding of a meaningful shareholding in the Company	The remuneration policy includes share options and plans to include a Save-As-You-Earn scheme for wider participation in shareholding across the Group.
	The remuneration committee should, as necessary, consult with other Board committees in order to set appropriate incentive targets and to appraise performance in respect of those targets.	The Remuneration Committee will consult with the Audit Committee and the Board, as appropriate, when developing the remuneration policy.
	The annual remuneration report should be put to an advisory shareholder vote. Where not mandated to be put to a binding vote, remuneration policies should at least be put to an advisory vote. Given the significance and dilutive impact of such plans, new (or significant amendments to existing) share schemes or long term incentive plans should be put to shareholder vote.	The Chair of the Remuneration Committee will consult with major shareholders on the design of incentives. Whilst this will not be binding, it will give shareholders the opportunity for input.
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.	The Company encourages two-way communication with its investors and responds quickly to all queries received. The Board recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.
	Appropriate communication and reporting structure should exist between the Board and all constituent parts of its shareholder base. This will assist: the communication of shareholders' views to the board; and the shareholders' understanding of the unique circumstances and constraints faced by the company.	The Chair is responsible for ensuring appropriate communication and reporting to shareholders. A range of corporate information (including Company announcements, historical annual reports and other governance related material) is also available on the Company's website.
	It should be clear where these communication practices are described (annual report or website).	The Company will disclose outcomes of all votes at shareholder meetings in a clear and transparent manner by releasing a market announcement and by including it on the Company website.