

# Corporate Governance Statement

## Vinanz Limited (the “Company”)

### 2025 January

#### **CORPORATE GOVERNANCE PRINCIPLES**

The Company is committed to maintaining high standards of corporate governance throughout its operations and to ensure all of its practices are conducted transparently, ethically and efficiently. As a company with a Listing in the Transition Category, the Company is not required to comply with the provisions of the Corporate Governance Code published by the Financial Reporting Council. Nevertheless, the Directors are committed to maintaining high standards of corporate governance and, so far as is practicable given the Company's size and nature, adopts and complies with the UK's Quoted Companies Alliance Corporate Governance Code 2023 (the "QCA Code").

The Board currently consists of five Directors: an Executive Chairman (David Lenigas), a Finance Director (Jeremy Edelman) and one independent Non-Executive Directors (NEDs) being Mahesh Pulandaran. The Board considers that appropriate oversight of the Company is provided by the currently constituted Board.

The QCA Code sets out a standard of best practice for small and midsize quoted companies. The QCA's ten principles of corporate governance are set out below, along with a description of the Company's approach to each principle.

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

**Application: Boards should ensure that corporate disclosures, in particular through annual reporting, are appropriate to satisfy the reporting needs of investors, including, but not limited to, sustainability matters. A company's purpose is its essential reason for being. The business model and strategy should fall out of this. A board should be able to explain, beyond a simple description of products and corporate structures, how the company intends to deliver shareholder value in the medium to long-term.**

**In explaining the strategy, the board should have specific long-term objectives against which it can determine if the company is succeeding and in so doing delivering on its purpose.**

**The board 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 aims to provide a listed UK platform which offers access to a technology and cryptocurrency business in the Bitcoin mining sector. The Company focuses on decentralised deployment of Bitcoin mining clusters in multiple data facilities throughout the US and Canada.

The Company's strategy is to grow its existing Bitcoin mining operations through acquiring

additional Bitcoin mining machines and/or investing in companies in the Bitcoin mining sector and/or entering into partnerships and/or joint ventures. The Company's initial focus is on installing clusters of Bitcoin miners within multiple facilities throughout the US and Canada through third party cryptocurrency mining providers such as Compass Mining, Hut 8 Mining and BlockLab, taking a different, less capital-intensive approach to large scale miners like Argo Blockchain.

The Company has started its operations with a global footprint in two jurisdictions, Canada and the United States of America.

The Company's business model allows it to grow its existing Bitcoin mining operations in an efficient and sustainable manner, generating consistent and long-term results to its shareholders.

## **Principle 2: Promote a corporate culture that is based on ethical values and behaviours**

**Application: The board should embody and promote a corporate culture that is based on sound ethical values and behaviours, 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 strategy of the company.**

**The culture should be visible throughout the company's operations, 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 understands the importance of developing a corporate, transparent culture with key values based on the ethics that are expected to ensure its corporate governance policies and principles. The Board are committed to fostering a corporate culture built upon unwavering ethical values and behaviours. The board, executives, and every member of the team are dedicated to upholding these principles in every aspect of the operations.

The Board looks to lead by example in terms of looking after the best interests of its staff, customers, suppliers, shareholders and local communities.

The Board not only sets expectations for the business but also works towards ensuring that strong values are set and carried out by the directors across the business. A strong corporate culture is paramount to the success of a business and the board strives to ensure that the objectives of the business, the principles and risks are underpinned by values of good governance that are fed down throughout the organization. The operation emphasis ethical considerations and data privacy. As outlined in the items above, ESG principals are part of the Company's core mission.

## **Principle 3: Seek to understand and meet shareholder needs and expectations**

**Application: Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base.**

**Where not already required, companies with a controlling shareholder (for example, an investor controlling 30% or more of the votes able to be cast at a general meeting of the company) should**

**consider putting in place arrangements to protect minority shareholders which may include a relationship agreement or other measures.**

**The board should ensure proactive engagement with shareholders on governance matters. This should be led by the chair or, where appropriate, the Senior Independent Director. Other directors, such as the chairs of the board's sub-committees, should also make themselves available for engagement with shareholders.**

**The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.**

The Company understands and values the importance of knowing the needs and expectations of its shareholder base. In this sense, the Company has adopted an open communication policy with its investors, in which, in addition to the general investor e-mail (corporate@vinanz.co.uk), the Company has included, on its website, the contact information (e-mail and telephone) of the Chairman, enabling direct access to him. This policy allows shareholders to have frequent contact with the Board and the Chairman, enabling the Company to understand and meet the needs of the shareholders during the whole year rather than only at the Annual General Shareholders Meetings. Ensuring transparent communication channels and equitable access to information for all shareholders, regardless of their shareholding size.

The Company prioritise the protection and fair treatment of all shareholders, including minority shareholders. Recognizing the importance of safeguarding minority interests in the Company with controlling shareholders, the Company may opt to establish formal arrangements such as a relationship agreement or other appropriate mechanisms. These arrangements serve to delineate the rights, obligations, and responsibilities of all shareholders, particularly addressing the concerns and ensuring the equitable treatment of minority shareholders.

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

**Application: Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.**

**Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model.**

**Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.**

**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 the 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.**

The company's priority is to operate as a responsible Bitcoin mining company, ensuring responsible management practices, stringent health and safety standards, and diligent stewardship of the environment. We acknowledge that our business activities impact the individuals working in our operations, their surroundings, and the communities they inhabit. The Company's growth and success depends on the long-term economic, social and environmental sustainability of each of the communities in which it works. The Company is committed to maintaining the highest health and safety standards in its facilities and prioritising sustainability, the operations harness clean energy, aligning with a green future commitment.

The Company puts its beliefs in action through various measures such as: (i) the majority of its on-site electricity is from renewable sources; (ii) 100% of its resource revenues are currently from environmental rehabilitation.

The Board constantly monitors the performance and impacts of its projects through constant consultation with local and regional government agencies tasked with overseeing our operations. There are regular reviews undertaken by the government authorities and recommendations for action are taken seriously and acted on.

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

**Application: The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.**

**Setting strategy includes determining the extent of exposure to the identified 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.**

**The board should ensure that all potential risks are considered, on a proportionate and material basis, including those relating to climate change. The board should review and consider whether the company's enterprise-wide internal controls are sufficiently robust to manage the identified risks adequately.**

**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.**

**It is important to ensure that the company auditor is and is seen to be sufficiently independent of management.**

The Company understands that effectively identifying and managing the relevant risks to its business as a whole is key for its success and growing as a responsible company. The Company's Board and senior management are responsible for identifying and managing the risks to which it is exposed and the Company's Audit Committee, which meets at least twice a year, is responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes. At the operations level, the Company assesses risks on a weekly basis at weekly site risk assessment meetings. Risks are identified, reported on and

acted on and a risks register is kept on site. The meetings are attended by the executive directors and consultants tasked with assisting management on risk assessment. The Company's strategy upon identifying potential risks is to determine the severity of the risk, the extent of the risk and the necessary actions to mitigate such risk to acceptable levels.

**Principle 6: Establish and maintain the board as a well-functioning, balanced team led by the chair**

**Application: 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.**

**Shareholders should be given the opportunity to vote annually on the (re-) election of all individual directors to the board.**

**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 nonexecutive 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.**

**Key committees, in particular the audit committee and remuneration 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.**

**Boards should be sensitive to both real and perceived impediments to independence.**

The Board provides leadership within a framework of prudent and effective controls. The Board has established the corporate governance framework of the Company and has overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and managing the financial and operational resources of the Company.

The Board meets on quarterly basis and holds additional meetings as and when required. In the past 12 months, the Board met 8 times. Materials necessary for appropriate discussions and decision-making regarding the matters to be discussed are distributed prior to the respective meeting, to all board members.

The Board currently comprises an Executive Chairman, one Executive Director (CFO) and two Independent Non-Executive Directors. The Company can assure a balanced team structure under the values of transparency and independency, taking them as key values for the well-functioning of the board.

The Company has established an Audit and Risk Committee and remuneration committee Compliance Committee with formally delegated duties and responsibilities. The Audit and Risk Committee comprise Mahesh Pulandaran (who is chair of the committee), Jeremy Edelman; the remuneration committee comprises Jeremy Edelman as chair, Mahesh Pulandaran.

The composition of these committees may change over time as the composition of the board changes.

**Principle 7: Maintain appropriate governance structures and ensure that individually and**

**collectively the directors have the necessary up-to-date experience, skills and capabilities**

**Application: The company should maintain governance structures and processes in line with its desired corporate culture and appropriate to its: size and complexity; and capacity, appetite and tolerance for risk.**

**The governance structures, processes and policies should evolve over time 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 nomination committee – that also have the necessary skills and knowledge to discharge their duties and responsibilities effectively.**

**The board should ensure that 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 advisers on such matters.**

**All directors should continually update their skills and knowledge. As a 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.**

**The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The board should consider this and the design and implementation of its decision-making processes to ensure they are effective.**

The Chairman is satisfied that the Board has sufficient up-to-date relevant experience and the right balance of skills to undertake its duties for a Bitcoin mining company. The board members hold extensive experience in finance, economics, cryptocurrency mining and Artificial Intelligence. Biographies of the directors can be found on the Company's website at the following link: <https://vinanz.co.uk>.

The composition of the board is periodically revised to ensure independence, balance of skillsets, background and diversity.

The Company continually seeks to improve its governance framework, by applying a clear policy and road map to ensure the Company has in place procedures and policies to manage its environmental, social and corporate governance responsibilities and, established clear goals that minimize the impact of its operations on all stakeholders and the environment.

The Chairman leads the Board and Company's approach to key areas such as governance, corporate culture and risk appetite. The Chairman and CFO are the main point of contact for shareholders and other stakeholder groups. The Non-Executive directors provide independence, in addition to the oversight and scrutiny of the executive directors.

The Audit Committee is responsible for liaising with the auditors, challenging their work and any conclusions drawn by them in their work and reporting back findings as well as negotiating their fee.

The Company's secretarial functions are performed by a professional firm (Pointon Young Limited), ensuring that this area of the company is dealt with professionally.

The Board understands that its current governance structures and processes are adequate for a company of Vinanz's size and complexity, and capacity, and its appetite for tolerance for risk, provided that such adequacy is constantly reassessed.

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

**Application: The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.**

**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 wider senior management team. The QCA's Board Performance Review Guide provides helpful supporting information to consider.**

**It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.**

**Succession planning for both the 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 nomination 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.**

The Board performance review is currently led by the Chairman who, on an annual basis, reviews the performance of each director and holds individual meetings with each of them at the end of the financial year. The Board intends to upgrade its performance review and will consider the appointment of an independent firm to facilitate the review of not only each individual director, but also of the board as a whole. There are no current independent evaluations of the board being undertaken at present.

As mentioned above, the composition of the board is periodically revised to ensure independence, balance of skillsets, background and diversity.

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

**Application: It is the board's 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.**

**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.**

**Pay structures for senior management should be simple and easy for participants to understand and foster alignment with shareholders through the building and holding of a meaningful shareholding in the company.**

**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 board recognised the critical role of an effective remuneration policy in driving long-term value creation and aligning with our company's purpose, strategy, and culture. As stewards of shareholder interests, it is the responsibility of our board to establish a remuneration policy that reflects our stage of development and fosters motivation among our management team.

Please add Vinanz's remuneration committee terms.

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

**Application: 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.**

**In particular, appropriate communication and reporting structures 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.**

**Boards should ensure that corporate disclosures, in particular through annual reporting, are appropriate to satisfy the reporting needs of investors, including, but not limited to, sustainability matters.**

**It should be clear where these communication practices are described (annual report or website).**

The Company communicates with shareholders through its regular RNS announcements, its Annual General Meetings and Annual and Interim Reports. The Company's website contains information about the Company's business activities and gives access to the Company's previous reports, General Meeting notices, and its constitutional documents.

Additionally, the Company's website provides a general investor e-mail (corporate@vinanz.co.uk), as well as the contact information (e-mail and telephone) of the Chairman, enabling direct access to him and allowing shareholders to have frequent contact with the Board and the Chairman.