

**2024 CORPORATE GOVERNANCE
STATEMENT**



OVERVIEW

As Chairman of the Board of Directors of Diales Plc [the "Company" or the "Group"], it is my duty to ensure the Group has both good corporate governance and an effective Board.

The Board recognises the importance of good corporate governance and has elected to adopt the QCA Corporate Governance Code 2018 [the "QCA Code"], which requires companies to adopt and comply with each of the principles or explain non-compliance.

The Board considers the QCA Code appropriate and suitable, having regard to the group's size and complexity. Below is the Company's explanation of how it has complied with the 10 principles of the QCA Code during the year including any deviation from those principles. The Board notes that an updated version of the QCA Corporate Governance Code was published in November 2023, We have reported against the 2018 version of the QCA Code herein and have undertaken a 2023 Code Gap analysis with One Advisory that identified the following areas where we have started work on or intend to during FY25 - Corporate culture, ESG KPIs, Audit Committee reporting and Board succession planning. We intend to fully report against the 2023 version of the QCA Code in our next annual report.

There have been no other significant changes in governance arrangements.

QCA PRINCIPLES

1. Establish a Strategy and Business Model which Promotes Long-Term Value for Shareholders

The Board of Directors has determined that the Company's growth strategy will deliver the greatest medium and long-term value to its shareholders. Diales Plc provides specialist commercial management, planning, programming and scheduling, project management, and dispute resolution support services, to the global engineering and construction industry. The Company supports clients from project inception and business case; pre-contract preparation, measurement, tendering, and procurement; the construction phase, from managing change, through to completion and agreement of the final accounts; to supporting the asset in use, through to refurbishment, re-purposing, and decommissioning.

The Company's plan for growth has been centred on making a difference by delivering robust and dynamic commercial solutions on time and within budget, either as a standalone service or as part of an integrated team within clients' existing commercial and construction management.

The Group's strategy, together with the principal risks and uncertainties facing the Group, are set out in the Strategic Report on pages 4 to 32 of the 2024 Annual Report.

2. Seek to Understand and Meet Shareholder Needs and Expectations

The Group places a great amount of importance on maintaining communication with stakeholders and is committed to having constructive dialogue with its shareholders.

The Chief Executive of the Board is primarily responsible for shareholder liaison and reports back to the Board. The AGM provides an excellent opportunity for shareholders to engage with the Board and ask questions. All shareholders are invited to attend the AGM and sign up for the Company's investor alert service to ensure that they receive financial results and other key shareholder messages directly from the Company as soon as they become available. Investors also have access to current information on the Company's website.

3. Take into Account Wider Stakeholder and Social Responsibilities and their Implications for Long-Term Success

The Board recognises that the continued growth and long-term success of the Company is reliant upon open communication with its internal and external stakeholders: professional advisors, shareholders, suppliers, regulators and other stakeholders.

The Company has an ongoing relationship with a broad range of its stakeholders and has regular and direct interaction with stakeholders providing them with opportunities to raise issues and provide feedback to the Company. The Board takes account of such feedback when discussing the Group's strategy.

Diales environmental and community impact is minimal but this is constantly monitored and action will be taken if this changes in the future. Further information about our stakeholder engagement approach can be found in our section 172 statement on pages 34 to 35 of this Annual Report.

4. Embed Effective Risk Management, Considering Both Opportunities and Threats, throughout the Organisation

The Board is responsible for overseeing the Group's risk management and internal controls. It ensures that procedures are in place and implemented effectively to identify, evaluate, and manage the significant risks faced by the Company.

The Board continually reviews the risks facing the Group to ensure the necessary controls are in place to mitigate any potential adverse impact. The Board recognises the nature and scope of risks can change over time and there may be other risks to which the Group is exposed.

The principal risks and uncertainties affecting the Group are set out on pages 30 and 31 of the 2024 Annual Report. The Board has considered the need for an internal audit function but has resolved that due to the current size and complexity of the Group, this cannot be justified on the grounds of cost-effectiveness. However, the Board will continue to monitor the need for an internal audit function as the Company grows and develops.

5. Maintain the Board as a Well-Functioning, Balanced Team Led by the Chair

The Board comprises of two Executive Directors and four Non-Executive Directors as follows:

Executives

- Group Chief Executive Officer: Mark Wheeler;
- Chief Financial Officer: Charlotte Parsons;

Non-executives

- Non-Executive Chairman: Shaun Smith;
- Non-Executive Director: Peter Collini;
- Non-Executive Director: Elizabeth Filkin CBE; and
- Non-Executive Director: John Mullen.

Further information about the Directors can be found on the Company's website.

With the exception of John Mullen, the Non-Executive Directors are considered by the Company to be independent in that: [ii] none of them are executive officers or employees of the Company; and [iii] none of them have a relationship with the Company that will interfere with the exercise of independent Judgement in carrying out their responsibilities as Directors. John Mullen is not deemed to be an independent Non-Executive Director as during the year he provided expert services to the Group through his consultancy company.

All Directors are currently subject to re-election at least every three years in accordance with both the requirements of the UK Companies Act and the Company's articles of association. At the forthcoming AGM, all Directors will be subject to re-election and annually thereafter. Directors meet formally and informally both in person and remotely. Board meetings are open and constructive, with every Director participating fully.

Given the nature and purpose of the Company, the experience of the Directors and the Company's proposed strategy, the Directors believe that the composition of the Board is appropriate and suitable. The Executive Directors are employed on a full-time basis.

Each Non-Executive Director must be able to devote sufficient time to the role to discharge their responsibilities effectively.

Attendance at Board and Committee Meetings

The Directors' attendance at meetings of the Board and its committees during the year to 30 September 2024 are as follows:

Board Meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler	11	11
Charlotte Parsons	11	11
Shaun Smith (Chair)	11	11
Peter Collini	11	11
Elizabeth Filkin CBE	11	11
John Mullen	11	6

Audit Committee Meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler*	3	2
Charlotte Parsons*	3	3
Shaun Smith**	3	2
Peter Collini (Chair)	3	3
Elizabeth Filkin CBE	3	3
John Mullen*	3	

Remuneration Committee Meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Elizabeth Filkin CBE (Chair)	4	4
Peter Collini	4	4
Shaun Smith**	4	4
Mark Wheeler*	4	4
Charlotte Parsons*	2	2
John Mullen*	4	3

* Attendance through invitation

** Appointed to Audit Committee 2 May 2024 and Remuneration Committee 29 November 2023.

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. All Directors are reminded periodically of their obligations to notify the Company of any changes in their statement of interests and to declare any benefits received from third parties [if any] in their capacity as a Director of the Group.

6. Ensure that Between them the Directors have the Necessary Up-to-Date Experience, Skills and Capabilities

The Company believes that the Directors have appropriate experience in relevant sectors, providing the ability to fulfil their roles. Each individual director has personal responsibility for keeping up to date on matters which may be relevant to their role as a director.

Details of the individual Directors and their experience are set out on the Company's website. The Company's nominated advisor, solicitors, corporate governance advisors and auditors are available to deal with any questions which arise in relation to the application of the AIM Rules, legal matters or accountancy matters. Details of the relevant advisors can be found on page 33. In order to ensure their independence, the Non-Executive Directors are also entitled to obtain independent legal advice at the cost of the Company in relation to matters which arise where they consider independent advice is required.

The Company Secretary is responsible for providing support to the Chairman and the Board on corporate governance, regulatory and compliance matters, dealing with procedural matters that arise from time to time and dealing with all matters relating to the annual general meeting and any other shareholder meetings.

During the year ended 30 September 2024, the Company's nominated advisor and auditors have advised the Company on routine matters within the scope of their respective engagement letters.

7. Evaluate Board Performance Based on Clear and Relevant Objectives, Seeking Continuous Improvement

The Remuneration Committee is responsible for monitoring the performance of the Executive Directors. The performance of the Chairman and Non-Executive Directors as individuals is reviewed by the Executive Directors. In July 2024, the Board conducted a formal externally-led board

evaluation process to ensure that members of the Board collectively function in an efficient manner. All directors completed a confidential survey providing feedback on various aspects of the Board's performance. Detailed feedback was provided to, and considered by, the Board. The evaluation noted that the Board and Committees are overall working well, although areas for improvement were highlighted. Another externally-led board evaluation process will take place in FY25 which will seek to track the progress against the matters identified in 2024.

8. Promote a Corporate Culture that is Based on Ethical Values and Behaviours

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole, which in turn will impact the Company's performance. The Group's culture is one of employee and client focus as both are fundamental to the success of the business. The Group has also adopted corporate values and policies to encourage employee and client engagement in relation to its business.

Innovation

Our policy is to try to recruit only the best professionals in the business and utilise their combined skills and experience to create innovative and flexible solutions at every opportunity.

People

We value ideas based on merit and regardless of position, treat people with consideration. We strive to lead by example. We also strive to be the employer of choice in our industry, recruiting top quality professionals and providing them with respect, opportunities and the support to excel within our team.

Our Clients

We focus on building professional relationships, delivering great quality service and real value that supports the requirements for each project. Our commitment to our clients' success is how we measure ourselves.

Integrity

We strive to apply the highest professional, ethical and technical standard throughout our organisation. We encourage accountability at all levels.

Transparency

We strive to communicate openly, honestly and with clarity of actions and words at all times. We seek to deliver best practice solutions on every occasion.

9. Maintain Governance Structures and Processes that are Fit for Purpose and Support Good Decision-Making by the Board

The Company's governance structures are appropriate for a company of its size. The Board meets at least six times a year [FY24:11] and is responsible for the overall strategy and financial performance of the Group. The Chairman is responsible for the leadership of the Board and for ensuring that the corporate governance of the Group is maintained in line with appropriate policies and practices agreed by the Board.

The Board delegates certain duties and, where applicable, authority, to two Committees to assist it with accomplishing its business objectives and maintain a strong system of internal control and risk management.

The Committees meet independently of Board meetings. The current Governance structure is outlined below:

Audit Committee

The Audit Committee comprises of Peter Collini [as Chair] and Elizabeth Filkin CBE and Shaun Smith [appointed 2 May 2024] as members. The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other information provided by the Company to shareholders, the Group's systems of internal control regarding finance and accounting and the Group's auditing, accounting and financial reporting processes.

The Audit Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Group's financial reporting and internal control system, to review the Group's financial statements, to review and appraise the performance and independence of the Group's external auditors and to provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

The Audit Committee is expected to meet at least three times a year] and at such other times as may be required. Other directors may attend meetings of the Audit Committee by invitation.

The Company does not publish a separate Audit Committee report as it considers that the time and expense involved cannot be justified given the size of the Group and its needs.

Remuneration Committee

The Remuneration Committee is chaired by Elizabeth Filkin CBE, with Peter Collini and Shaun Smith [appointed 29 November 2023] as members. It is expected to meet not less than twice a year and at such other times as may be required.

The principal function of the Remuneration Committee is determine the policy on the remuneration packages of the Company's Executive Directors and other senior executives designated by the Board. The Remuneration Committee has responsibility for:

- recommending to the Board a remuneration policy for directors and executives and monitoring its implementation;
- approving and recommending to the Board and the Company's shareholders, the total individual remuneration package of each Executive Director [including bonuses, incentive payments and share awards];
- approving and recommending to the Board the individual remuneration package of other senior executives [including bonuses, incentive payments and share awards];
- approving the design of, and determining targets for, any performance-related share schemes operated by the Company; and
- reviewing the design of all equity-based incentive plans for approval by the Board.

No Director or member of management may be involved in any discussions as to their own remuneration.

The performance of the Chairman and Non-Executive Directors is reviewed by the Executive Directors.

Performance is normally reviewed in September of each year with any revisions normally taking place in October.

Considering the size of the board of directors of the Company, the Directors do not currently consider it necessary to establish a Nomination Committee; however, the Directors will keep this under regular review. The functions of a Nomination Committee are undertaken by the Board as a whole.

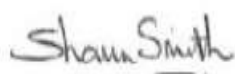
10. Communicate how the Company is Governed and is Performing by Maintaining a Dialogue with Shareholders and other Relevant Stakeholders

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. This is done through Interim and Annual Reports along with Regulatory News Service announcements.

Shareholders are encouraged to attend the Company's AGM, where they will be given the opportunity to interact with the Directors. The Board maintains that, if there is a resolution passed at a general meeting with 20% votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action. At the last AGM in March 2024, all resolutions passed with at least 92% support.

Investors also have access to the latest information on the Group through its website.

On behalf of the Board:



Shaun Smith

Chairman

2nd December 2024