

## Statement of Compliance with the QCA Corporate Governance Code

### Chairman's Introduction

Delivering high standards of corporate governance to our shareholders and other stakeholders including employees, customers and suppliers, is essential for shareholder value and the long-term success of the business. As Chairman, I am responsible for corporate governance, and work with the Board to adopt and implement the Quoted Companies Alliance (QCA) Corporate Governance Code for Small and Mid-Size Quoted Companies.

In the section below, we document the corporate governance code adopted and how the company applies the QCA's ten principles to ensure good corporate governance.

I hope you find this useful guidance. If you have any questions, please do get in touch [here](#).

Roger Parry  
Chairman  
Oxford Metrics

### Corporate Governance Code

The Board has adopted the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies. The QCA Code aims to apply the key elements of the UK Corporate Governance Code and other relevant governance guidance to the needs of small and medium-sized listed PLCs. As such, the QCA have identified "ten principles that focus on the pursuit of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which the company was created."

#### 1. Establish a strategy and business model which promotes long-term value for shareholders

Our strategy and current five-year plan were launched in December 2016 and set out in the company's Annual Report and Accounts, which can be found [here](#). Subsequent Annual Report and Accounts, which can be found [here](#), update shareholders as to how the strategy and plans are progressing. Specifically, the Strategic Report section of the Annual Report and Accounts covers our business model, our strategy and how we aim to drive long-term value for shareholders.

#### 2. Seek to understand and meet shareholder needs and expectations

The Board balances the needs and expectations of both minority shareholders and institutional investors, communicating and engaging through a wide range of mediums. Shareholders are given multiple options to receive company information and many mediums encourage shareholder feedback which the internal IR team aim to respond to in a timely manner.

One-way communication	Two-way communication
RNS announcements, Interim and Preliminary Results, Printed Annual Report, profile on <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a> and <a href="http://www.oxfordmetrics.com">www.oxfordmetrics.com</a>	Annual General Meeting, contact form on <a href="http://www.oxfordmetrics.com">www.oxfordmetrics.com</a> , email: <a href="mailto:info@oxfordmetrics.com">info@oxfordmetrics.com</a> , telephone enquiries and investor meetings.

We seek to understand the motivations behind shareholder decisions through personal meetings with institutional investors, calls with minority shareholders and questions via the contact form on the website. Our broker takes institutional investor feedback and our PR agency takes analyst feedback. All feedback is reviewed and considered by the internal IR team.

Our internal Investor Relations team consists of the CEO, CFO, Company Secretary and Marketing Manager.

### 3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

For the Board to execute against its strategy and five-year plan it relies upon good relations with internal and external stakeholders. The Board identifies the Company's stakeholders and through regular review, aims to understand their needs, interests and expectations and put systems in place to solicit and act on feedback.

Stakeholders	Needs, interests and expectations	Feedback mechanisms
Shareholders	To understand return on investment, how the business is performing financially and operationally, and progress against the strategy and five-year business plan.	There are feedback mechanisms in place for shareholder communications as described above.
Employees	<ul style="list-style-type: none"> <li data-bbox="480 992 903 1126">• How the business is performing financially and operationally, and future plans for the business.</li>   <li data-bbox="480 1529 858 1597">• Career development within the Company.</li> </ul>	<p data-bbox="927 992 1382 1451">The Company holds biannual company meetings (post results) for employees at which the Company's financial performance and future plans are discussed, in addition to more frequent staff briefings and electronic communications. The Board is committed to ensuring a climate of openness throughout the Company, encouraging employees to contribute ideas and feedback within and outside the formal feedback structures.</p> <p data-bbox="927 1529 1382 1955">All job vacancies within the Company are advertised internally before seeking external candidates. The Company supports employees extending their professional qualifications and professional development. The Company also provides in-house training assisted by external consultants on matters such as regulatory compliance, diversity, data protection, and health and safety.</p>
Suppliers	Orders and payment terms.	Managers within the Company effectively manage supplier

		relationships so there is no disruption to the supply chain which could have an adverse effect on the business.
Customers	High performing and reliable product. Excellent customer support.	Account managers within the Company effectively manage all customer relationships. Product feedback is communicated to R&D for improving current and developing future products.

**4. Embed effective risk management, considering both opportunities and threats, throughout the organisation**

**Internal Audits**

The Company has an internal audit function and conducts the following system audits periodically.

- ISO9001:2015 Quality Management Systems Vicon Denver – Annually
- ISO9001:2015 Quality Management Systems Vicon Yarnton – 5 times per year
- ISO13485:2016 Medical Quality Management Systems Vicon Yarnton – 5 times per year
- 93/42/EEC as amended Medical Devices Directive Production Quality Vicon Yarnton
- ISO9001:2015 Quality Management Systems Yotta – 4 times per year
- ISO14001:2015 Environmental Management Systems Yotta – 4 times per year
- ISO27001:2013 Information Security Management Systems Yotta – 4 times per year
- Information Asset Penetration Testing - Internal 12 days per year and external 7 days per year RAPID7
- Business Continuity Exercises

**Risk management and risk register**

The Board has embedded an effective risk management framework to identify, evaluate and manage opportunities and risks, in order to execute the strategy and five-year business plan. The principal risks and uncertainties are available from p8 in the Annual Report 2017 [here](#). The Company’s risk register is compiled annually, by non-executive Director, Jonathon Reeve, with input from senior members of staff from across the Company and presented to the Board to inform its strategy review, and to enable the Board to identify, manage, and mitigate risks.

**5. Maintain the board as a well-functioning, balanced team led by the chair**

There are three executive, and four non-executive Board members. A list of serving directors is available [here](#). All non-executive Board members are considered independent with the exception of Jonathon Reeve who has served on the Board for a period of twelve years and therefore we do not consider him to be independent. The Board operates formally through meetings of the full Board, and informally through regular contact between Directors. Matters reserved for the Board include strategy, financial performance and reporting, dividends, risk management, major capital expenditure, and M&A.

The Board is kept informed outside its formal meetings by monthly reports from the Chief Executive that include information on the Company's financial and operational performance. Board agenda and information relating to the agenda are sent to Board members before all formal Board meetings. Board minutes are circulated to all members within 7 days of each Board meeting.

The Remuneration Committee members are Jonathon Reeve (Chair) and Adrian Carey who meet formally on at least two occasions annually. No director has been absent from a committee meeting. The terms of reference of the Remuneration Committee is available on p15 of the Company's [Admission Document](#).

The Audit Committee members are Adrian Carey, Jonathon Reeve, and David Quantrell, who meet formally at least two occasions annually. No director has been absent from a committee meeting. The terms of reference of the Audit Committee is available on p15 of the Company's [Admission Document](#).

The Board acts as a whole as the Nominations Committee and meets when a new director needs to be appointed. Appointments to the Board are made by consultation with, and the agreement of, the whole Board. Suitable candidates are sought through external senior recruitment consultants.

The Board meet formally six times a year. No director has been absent from a Board meeting during the 12 months from 1<sup>st</sup> October 2017 to 30<sup>th</sup> September 2018 months except for Catherine Robertson who was given permission by the Chair to absent herself from a Board meeting in order to attend to urgent company business.

Non-executive directors are expected to devote as much time as is necessary for the proper performance of their duties, at a minimum, 15 days per year or more if serving on a committee. Executive directors are full-time employees and expected to devote as much time as is necessary for the proper performance of their duties, there is no specific time commitment.

**6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities**

Directors' biographies are available [here](#). Directors are able at the Company's expense to seek independent professional advice as required to support their role either as a member of a Board committee or for any matter within the terms of reference of the Board. A list of the Company's external advisors is available [here](#).

The Audit Committee works with the company's auditor BDO. The Company Secretary is supported by N+1 Singer, (NOMAD), and Goodman Derrick LLP. The Remuneration Committee is supported by PwC on matters falling under its terms of reference, and the Company Secretary. The Company Secretary advises the Board on a range of regulatory and compliance matters.

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

An overview of Directors' responsibilities can be found on p11 of the 2017 Annual report [here](#).

The Chief Executive's objectives are set by the Chair and the Remuneration Committee in consultation with other non-executive Board members, and the objectives of the executive directors are set by the Chair and the Remuneration Committee in consultation with the Chief Executive. The Board has an annual effectiveness review cycle consisting of reviews of the performance of executive members of the Board by the Non-executive Board members, and a review of the Chairman's performance by all other non-executive, and executive directors.

The Board reviews its performance against its objectives to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls, set the Company's strategic aims and ensure the necessary resources are in place to meet these aims, to provide effective leadership to ensure the Company's values and standards are upheld, and to fulfil its obligations to shareholders and stakeholders.

Non-executive directors are expected to devote as much time as is necessary for the proper performance of their duties, at a minimum, 15 days per year or more if serving on a committee. This will include attendance at least six Board meetings, the AGM, at least one annual Board away day a year, at least one site visit a year, meetings of the non-executive directors, meetings with shareholders, meetings forming part of the Board evaluation process and updating and training meetings. All the executive directors are full time employees of the company.

The Board keeps the issue of Board effectiveness under continual review and will continue to consider best practice in matters relating to Board effectiveness, consistent with the size, range of activities, and stage of development of the Company. Succession plans for all members of the company's Board and senior managerial roles across the Company are in place and are regularly reviewed.

## **8. Promote a corporate culture that is based on ethical values and behaviours**

The Board is committed to promoting a socially responsible culture throughout the Company and encouraging high ethical standards in all its activities. The Company's culture is communicated to the employees through engagement, and employees are expected to exercise high ethical and moral standards at all times in their dealings with the Company's stakeholders. The Company has an anti-bribery policy and is committed to the elimination of modern slavery and human trafficking in its supply chain.

The Company's recruitment and employment policies are under continual review in order to maintain high ethical standards and best practice, and to provide a working environment in which its employees are able to realise their potential and contribute to the business. Applications are given full and fair consideration irrespective of nationality, ethnic origin, religion, disability, sexual orientation, age, marital or civil partnership status or gender identity. The Company is committed to providing for the health and safety of its employees and visitors to its premises through use of best practice and regular audits of the Company's Health and Safety policy and practices by external consultants.

## **9. Maintain governance structures and processes that are fit for purpose and support good decision making by the board**

The Board is committed to maintaining high standards of corporate governance appropriate for its size and the nature of the Company's activities. The Board has adopted the Quoted Companies Alliance Corporate Governance Code and aims to apply its principles and follow its guidance across the range of activities in which the Company is involved. The Board will formally review its corporate governance structures and processes annually to ensure it continues to incorporate best practice on corporate governance as it continues to evolve, updating its published statement as necessary.

The Chair is responsible for overseeing the Board and ensuring its effectiveness and its operation in the interests of our shareholders and stakeholders. The Chief Executive Officer's role is to provide leadership and vision in developing with other directors the strategic plan for the Company, and managing its implementation. With the other executive directors, the Chief Executive Officer is responsible for managing the business activities of the Company. The role of the non-executive directors is to help develop the strategic plan, to challenge, and to scrutinise the financial performance of the Company, and of management.

Roles of the Audit, Remuneration and Nomination committee and their Terms of Reference are covered in Principle 5.

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

The Company holds an Annual General Meeting annually in February. Agendas for General Meetings for the last 5 financial years are available [here](#). There have been no resolutions put to a general meeting that have resulted in less than 80% of the votes cast in favour of the resolution in the last 5 years. The Company's historic annual reports are available [here](#).

As well as the Company's general meeting with shareholders, the Chief Executive and Finance Director give formal presentations to significant shareholders twice each year and have primary responsibility for communicating the views of these shareholders to the Board.

The Board does not currently recognise any constraints or circumstances that affect the Company uniquely.

**September 2018**