

## NON-FINANCIAL INFORMATION STATEMENT

The table below explains where relevant non-financial information can be found within this report, further to the Financial Reporting Directive requirements contained in Sections 414CA and 414CB of the Companies Act 2006. Where appropriate, details on where additional information on these matters can be found, have also been included.

Key policies and procedures	Information within this report	Additional information
<b>Environment</b>		
Health and Safety Policy	Sustainability Report: pages 34 to 57	<a href="http://www.oxinst.com/investors-content/sustainability">www.oxinst.com/investors-content/sustainability</a>
Environmental Policy	Sustainability Committee Report: pages 117 to 119	<a href="http://www.oxinst.com/investors-content/compliance/environmental-policy">www.oxinst.com/investors-content/compliance/environmental-policy</a>
Supplier Due Diligence and Audit Procedures	Task Force on Climate-related Financial Disclosures (TCFD) Statement: pages 40 to 50	<a href="http://www.oxinst.com/CBCE">www.oxinst.com/CBCE</a> <a href="http://www.oxinst.com/corporate-content/supplier-and-partner-engagement">www.oxinst.com/corporate-content/supplier-and-partner-engagement</a>
<b>Employees</b>		
Health and Safety Policy	Engaging with our stakeholders: pages 20 and 21	<a href="http://www.oxinst.com/corporate-content/health-and-safety">www.oxinst.com/corporate-content/health-and-safety</a>
Working at Oxford Instruments Policy		<a href="http://www.oxinst.com/CBCE">www.oxinst.com/CBCE</a>
Leaving Oxford Instruments Policy	Sustainability Report: pages 34 to 57	<a href="http://www.oxinst.com/corporate-content/employees">www.oxinst.com/corporate-content/employees</a>
IT Infrastructure and Use Policy	How we engage with our stakeholders: pages 90 to 96	<a href="http://www.oxinst.com/investors-content/compliance/crisis-management-policy">www.oxinst.com/investors-content/compliance/crisis-management-policy</a>
Conflicts of Interest Policy	Board Leadership and Company Purpose: page 89	<a href="http://www.oxinst.com/corporate-content/diversity-and-inclusion">www.oxinst.com/corporate-content/diversity-and-inclusion</a>
Business Travel Policy		<a href="http://www.oxinst.com/careers">www.oxinst.com/careers</a>
Crisis Management Policy	Sustainability Committee Report: pages 117 to 119	
Reward and Recognition Policy		
Performance Management Policy		
Opportunity and Career Policy		
Share Dealing Policy		
<b>Social matters</b>		
Export Control Policy	Sustainability Report: pages 34 to 57	<a href="http://www.oxinst.com/corporate-content/privacy">www.oxinst.com/corporate-content/privacy</a>
Privacy Policy	Community engagement: page 92 and 93	<a href="http://www.oxinst.com/CBCE">www.oxinst.com/CBCE</a>
Code of Conduct		<a href="http://www.oxinst.com/investors-content/compliance/group-sanctions-policy">www.oxinst.com/investors-content/compliance/group-sanctions-policy</a>
Group Sanctions Policy	Sustainability Committee Report: pages 117 to 119	<a href="http://www.oxinst.com/investors-content/compliance/group-export-controls-policy">www.oxinst.com/investors-content/compliance/group-export-controls-policy</a>
Group Export Controls		
<b>Human rights</b>		
Global Human Rights Policy	Ethics – human rights: page 57	<a href="http://www.oxinst.com/corporate-content/human-rights-policy">www.oxinst.com/corporate-content/human-rights-policy</a>
Modern Slavery Statement		<a href="http://www.oxinst.com/corporate-content/modern-slavery">www.oxinst.com/corporate-content/modern-slavery</a>
Gender & Ethnicity Pay Gap Report		<a href="http://www.oxinst.com/corporate-content/gender-pay-report">www.oxinst.com/corporate-content/gender-pay-report</a>
Privacy Policy		<a href="http://www.oxinst.com/corporate-content/privacy">www.oxinst.com/corporate-content/privacy</a>
<b>Anti-bribery and corruption</b>		
Anti-bribery and Anti-corruption Policy	Ethics – anti-bribery and corruption: page 56	<a href="http://www.oxinst.com/investors-content/compliance/anti-bribery-and-corruption">www.oxinst.com/investors-content/compliance/anti-bribery-and-corruption</a>
Whistleblowing Policy		
Share Dealing Policy	Supplier engagement: pages 92 and 93	<a href="http://www.oxinst.com/investors-content/compliance/business-malpractice-procedure">www.oxinst.com/investors-content/compliance/business-malpractice-procedure</a>
Supplier Code of Conduct		<a href="http://www.oxinst.com/CBCE">www.oxinst.com/CBCE</a>
Conflicts of Interest Policy		
Supplier Due Diligence and Audit Procedures		
<b>Additional disclosures: – Business model – Principal risks – Non-financial KPIs</b>		
Group Tax Strategy	Investment case: pages 16 and 17 Business Model: pages 18 and 19 Strategy: pages 22 and 23 KPIs: pages 24 and 25 Principal Risks: pages 72 to 78 Audit and Risk Committee Report: pages 110 to 116	<a href="http://www.oxinst.com/investors-content/compliance/group-tax-strategy">www.oxinst.com/investors-content/compliance/group-tax-strategy</a>

The Directors' Report is approved by the Board and signed on its behalf by

**SARAH HARVEY**

Company Secretary

10 June 2024

[www.oxinst.com](http://www.oxinst.com)

# Governance

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## CHAIR'S OVERVIEW

### Governance highlights

- Richard Tyson joined the Board as Chief Executive Officer on 1 October 2023, following a robust appointment process.
- Hannah Nichols joined the Board as a Non-Executive Director, effective 1 January 2024, and will take up the role of Chair of the Audit and Risk Committee with effect from the conclusion of the AGM on 25 July 2024.
- Redeveloped the company's strategy and purpose, with a strong recognition that these are crucial underpins which will guide the organisation as it strives to fulfil our ambitions and to achieve even more for all of our stakeholders.
- Received strong shareholder support for our new Directors' Remuneration Policy at our AGM on 19 September 2023.
- Gained meaningful insights through our programme of employee engagement activity.

### Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Governance Report for the year ended 31 March 2024. This report describes our governance structures and procedures, summarises the work of our Board and its Committees during the year and illustrates how our responsibilities have been discharged. We recognise that the Board's fundamental role is to promote the long-term sustainable success of the company and the Group, generating value for shareholders and contributing to wider society. To achieve this, we strive to ensure that we implement and follow good governance practices.

### Board composition and succession planning

It is imperative that our Board's composition encompasses the necessary skills, knowledge and experience to provide effective leadership, and our Nomination Committee actively keeps under continuous review the constitution of the Board and its Committees. There have been a number of changes to the Board during the year and up to the date of signing the Annual Report, as follows:

- As noted in the Report and Financial Statements 2023, after having served on the Board for almost nine years, Professor Sir Richard Friend stepped down as a Non-Executive Director of the company with effect from 28 July 2023.

- On 1 October 2023, Ian Barkshire retired as Chief Executive Officer and was succeeded in this role by Richard Tyson. As noted in the Report and Financial Statements 2023, the Board is thankful for the tremendous contribution Ian has made and he can look back on his long career with Oxford Instruments with immense pride. Richard has joined us from global electronics company TT Electronics plc, where he was Chief Executive Officer, and we have been delighted with the actions he has taken so far, as he leads us into the next phase of our growth.
- Anticipating the departure of Mary Waldner as Director in line with best practice in relation to her tenure and independence, as she will have served on the Board for nine years by February 2025, we acted to ensure smooth succession for the role of Audit and Risk Committee Chair, which Mary currently fulfils. We also remained mindful of the Board's diversity policy. As a result, we were pleased to appoint Hannah Nichols as a Non-Executive Director with effect from 1 January 2024. Hannah's strong financial expertise, extensive international experience and track record of driving transformational change, both within and beyond the finance function, will complement the current range of expertise and experience on our Board and mean that she is well equipped to take up the role of Chair of the Audit and Risk Committee. She will do so with effect from the conclusion of the AGM to be held on 25 July 2024.
- Reshma Ramachandran will stand down as a Non-Executive Director with effect from the conclusion of the AGM, due to her appointment in a new executive role externally, which will restrict the available time which she can commit to her role with the company. The Board sincerely thanks Reshma for the valuable contributions she has made during her time as a Director.

- Mary Waldner will stand down as a Non-Executive Director in February 2025 in line with best practice, as set out above. She will step down from the role of Chair of the Audit and Risk Committee with effect from the conclusion of the AGM, with Hannah Nichols taking up this role, as noted above.

Further information regarding the work of the Nomination Committee can be found on pages 106 to 109.

### Strategy and purpose

One of the most important areas of focus for the Board during the year was the redevelopment of our strategy and purpose. As noted earlier in the Annual Report, these are considered crucial underpins which will guide us as we strive to fulfil our ambitions and to achieve even more for all of our stakeholders. The Group's new strategy is founded on developing focused, customer-first ways of working, simplifying our organisation and processes, and making a step change in operational performance, while protecting our investments in products and technology – the foundation of our existing success. At the core of our strategy and future plans, is our newly articulated purpose, which is to accelerate the breakthroughs that create a brighter future for our world, as our technology and scientific expertise enables our customers to discover and bring to market exciting new advances that drive human progress.

For more information, see Our Purpose-led Approach on pages 6 to 7, Our Strategy on pages 22 to 23 and the case study: 'Guiding our ambitions: Our new strategy and purpose' on page 95.

### New Directors' Remuneration Policy

We were delighted to receive strong shareholder support for our new Directors' Remuneration Policy at our AGM on 19 September 2023, with a supporting vote of 98.04%. When developing the new policy, our Remuneration Committee engaged with our major shareholders and other key stakeholders and also considered, amongst other things, the overall competitiveness of the package and the mix of performance measures used, including the use of sustainability-related metrics and targets. During the year, the Committee shifted its focus to ensuring the appropriate operation of the policy, with particular consideration given to the remuneration policies for our wider workforce.

For information regarding the implementation of the Directors' Remuneration Policy and the work of the Remuneration Committee, see pages 120 to 143.

### Employee engagement

The Board was again pleased to participate in its formal programme of employee engagement activity this year. We strongly believe that this strengthens the Board's understanding of employees' perspectives and helps to ensure that they are considered as part of our decision-making processes. The Board plays a role in shaping the programme each year and we aim to meet with employees across a broad range of roles, sites and stages in their career. This year our programme included, amongst other things, a full-Board site visit to our new compound semiconductor site at Severn Beach and a dedicated session on remuneration hosted by Alison Wood in her capacity as Chair of the Board's Remuneration Committee. After each of these events the Board discusses, as a specific agenda item at the next Board meeting, the insights gained and determines any appropriate actions. We look forward to participating in our programme of engagement activity for 2024/25.

To find out more about our approach to stakeholder engagement, please see the 'Engaging with our stakeholders' section on pages 20 to 21 and the 'How we engage with our stakeholders' section on pages 90 to 95.

### Annual General Meeting

The 2024 Annual General Meeting (AGM) of Oxford Instruments plc will be held at Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW at 11.00am on Thursday 25 July 2024.

Further details, including the resolutions to be proposed to our shareholders, can be found in the Notice of Meeting which has been sent to our shareholders and which is also available on our website at: [www.oxinst.com/investors-content/annual-general-meeting](http://www.oxinst.com/investors-content/annual-general-meeting). The result of the votes on the resolutions put forward at the AGM will be publicly announced to the stock exchange and published on our website as soon as possible following the conclusion of the meeting.

As usual, I will be available at the AGM and will be very happy to take any questions you may have regarding the operation of the Board during the year.

### NEIL CARSON

Chair

10 June 2024





## BOARD OF DIRECTORS



**Neil Carson**  
Chair

**Appointed to the Board:**  
1 December 2018

**Non-Executive  
Independent:** No<sup>1</sup>

**Skills and experience:**

Neil is a former FTSE 100 chief executive. After completing an engineering degree, Neil joined Johnson Matthey in 1980 where he held several senior management positions in the UK and the USA, before holding the role of Chief Executive Officer from 2004 to 2014. He has a broad industrial outlook and a highly commercial approach with a practical perspective on business. He provides valuable insight based on his former executive position and operational experience and brings a track record of strong operational exposure, familiarity with capital-intensive business and a first-class international perspective on driving value in complex environments and this experience makes him particularly well suited to serving as Chair of the Board. Neil was awarded an OBE for services to the chemical industry in 2016.

Neil's previous non-executive roles include serving as Chairman of TT Electronics plc, Deputy Chairman of TI Fluid Systems plc and as a Non-Executive Director of Paypoint plc and Amec Foster Wheeler plc.

**External appointments:**

Non-Executive Director, member of the Sustainability Committee and Chair of the Remuneration Committee of Shell plc.  
Director of The Goldsmiths' Company Charity.

**Committee membership:**

**NRS**



**Richard Tyson**  
Chief Executive Officer

**Appointed to the Board:**  
1 October 2023

**Executive  
Independent:** No

Richard has a track record of business leadership in the advanced technology sector spanning more than 30 years. In his previous role as Chief Executive Officer at TT Electronics plc from 2014 to 2023, Richard transformed, reshaped and refocused the business, delivering product innovation, building the group organically and through acquisition, and delivering strong growth in revenue, profits and margin. Richard previously held senior roles at defence group Cobham plc, where he was a member of the executive committee and led the aerospace and security division, and at Goodrich Aerospace. Richard is a fellow of the Royal Aeronautical Society and a Governor of St Swithun's Independent School for Girls in Hampshire. Richard is a graduate of the Executive Senior Leadership programme at Henley Business School, and holds a diploma from the Chartered Institute of Marketing and a BSc in Management Sciences from The University of Manchester.

Senior Independent Director of Videndum plc.

None



**Gavin Hill**  
Chief Financial Officer

**Appointed to the Board:**  
9 May 2016

**Executive  
Independent:** No

Gavin holds a BA in Economics and Agricultural Economics from the University of Exeter. He is a Chartered Accountant and an Associate Member of the Association of Corporate Treasurers.

Gavin served as Group Finance Director of Synergy Health plc from April 2010 until its successful combination with STERIS Corporation on 3 November 2015. He previously served as Corporate Finance Director of Serco Group plc and has also worked in a variety of regional, corporate and treasury roles with Syngenta AG and AstraZeneca plc.

Non-Executive Director and Chair of the Audit Committee of BMT Group Limited.

None



**Alison Wood**  
Senior Independent Director

**Appointed to the Board:**  
8 September 2020

**Non-Executive  
Independent:** Yes

Alison holds a BA in Engineering, Economics and Management from the University of Oxford and an MBA from Harvard Business School. Her background is in leading business development, M&A and strategic planning across blue-chip UK companies, particularly in the defence sector. She was formerly the Global Director for Corporate Development & Strategy at National Grid plc and before that, Group Strategic Development Director for BAE Systems plc. She is a highly experienced Non-Executive Director and committee chair, with her experience being particularly well suited to her role as Chair of Oxford Instruments' Remuneration Committee.

Alison's previous roles include serving as Senior Independent Director and Remuneration Committee Chair of Costain Group PLC and the British Standards Institute, a Non-Executive Director and Remuneration Committee Chair of Cobham plc and Capricorn Energy PLC (formerly Cairn Energy PLC), Senior Independent Director of e2v plc and a Non-Executive Director of both BTG plc and THUS plc.

Non-Executive Director and Chair of Galliford Try Holdings plc.

Non-Executive Director and Chair of the Remuneration Committee of TT Electronics plc.

**ANRS**



**Mary Waldner**  
Non-Executive Director

**Appointed to the Board:**  
4 February 2016

**Non-Executive  
Independent:** Yes

Mary is the Chief Financial Officer of Lloyd's Register, the global professional services company specialising in engineering and technology for the maritime industry. She holds an MA in physics from the University of Oxford and is a Fellow of the Chartered Institute of Management Accountants. She has a broad range of experience in a variety of sectors and an excellent track record of delivery throughout a number of senior financial roles with major public limited companies, which particularly benefits her role as Chair of the Audit and Risk Committee.

Mary was previously the Group Finance Director of Ultra Electronics Holdings plc, the Director, Group Finance at QinetiQ Group plc and Group Financial Controller of 3i Group plc. Prior to this, Mary held a number of senior roles at British Airways, General Motors and Vauxhall Motors.

Chief Financial Officer of Lloyd's Register.  
Non-Executive Director and Chair of the Audit Committee of Senior plc.

**ANRS**



**Sir Nigel Sheinwald**  
Non-Executive Director

**Appointed to the Board:**  
22 September 2021

**Non-Executive  
Independent:** Yes

Sir Nigel previously served as a British diplomat and has deep knowledge of international politics, strategy, regulation and communication. He holds an MA from Balliol College, University of Oxford, where he is now an Honorary Fellow. He joined the Diplomatic Service in 1976 and served in Brussels, Moscow, Washington and in a wide range of policy roles in London. He served as British Ambassador to the United States (2007–12) and European Union (2000–03) and as Foreign Policy and Defence Adviser to the Prime Minister (2003–07). Since leaving the Diplomatic Service in 2012 he has served on a wide range of corporate and not-for-profit boards. The extensive range of skills and experience that he brings, along with his commitment to Oxford Instruments' sustainability agenda, is a good fit with the Group's requirements and particularly benefit his role as Chair of the Sustainability Committee.

Sir Nigel was previously a Non-Executive Director and Chair of the Safety, Environment and Sustainability Committee at Royal Dutch Shell plc (now Shell plc).

Non-Executive Director of Invesco Ltd.  
Senior Adviser to the Universal Music Group.

Chair of the Royal Institute of International Affairs (Chatham House).  
Visiting Professor at King's College, London.

**ANRS**

**Committee Membership**

**A** Audit and Risk Committee Member  
**R** Remuneration Committee Member

**N** Nomination Committee Member  
**S** Sustainability Committee Member

**C** Chair of Committee

1. Neil was independent upon appointment to the Board, in line with provision 10 of the UK Corporate Governance Code 2018.

## BOARD OF DIRECTORS continued



**Reshma Ramachandran**  
Non-Executive Director

**Appointed to the Board:**  
1 September 2022

**Non-Executive Independent:** Yes

**Skills and experience:**

Reshma is currently the Chief Transformation Officer and a member of the Executive Board at APCOA Parking AG. Prior to that she worked as the Senior Vice President & Group Head of Transformation at Adecco Group AG. She has also previously held senior roles at ABB Ltd, Alstom Power (a General Electric company) and Accenture Management Consulting. She holds a bachelor's and master's degree in Technology and is an alumnus of the Indian Institute of Technology Madras, India. Additionally she holds a master's degree in business administration from the S.P. Jain Institute of Management & Research, India. Reshma has over 20 years of experience. She is an engineer by background and has led large-scale, multi-cultural teams and budgets as well as developing internal collaboration and customer focus.

**External appointments:**

Chief Transformation Officer and member of the Executive Board of APCOA Parking AG.

Non-Executive Director of ISS A/S.  
Senior advisor at Boston Consulting Group LLC.

**Committee membership:**

ANRS



**Hannah Nichols**  
Non-Executive Director

**Appointed to the Board:**  
1 January 2024

**Non-Executive Independent:** Yes

Hannah is currently Chief Financial Officer of Hill & Smith PLC, a leading provider of sustainable infrastructure products and services and a constituent of the FTSE 250 index on the London Stock Exchange, a role she has held since September 2019. She holds a Classics degree from the University of Cambridge and is a qualified chartered accountant. Hannah is an experienced financial professional; prior to her current executive role she had a successful 14-year career at BT Group plc, latterly serving as Chief Financial Officer, Asia, Middle East and Africa for BT Global Services, based in Singapore. She has also held a number of commercial roles at Cable & Wireless plc and qualified as a chartered accountant at Arthur Andersen.

Chief Financial Officer of Hill & Smith PLC.

ANRS



**Sarah Harvey**  
Company Secretary

Sarah became the Company Secretary in August 2021. She is an Associate of the Chartered Governance Institute. Before joining Oxford Instruments, Sarah held company secretarial roles at intu properties plc, HSBC Holdings plc, BP plc and PwC Legal LLP.

**Changes to the Board and its Committees**

During the financial year and up to the date of signing of the Annual Report, the composition of the Board changed as follows:

- Richard Friend stepped down as Non-Executive Director on 28 July 2023.
- Ian Barkshire stepped down as CEO and Executive Director on 1 October 2023.
- Richard Tyson was appointed as CEO and Executive Director on 1 October 2023.
- Hannah Nichols was appointed as a Non-Executive Director on 1 January 2024.

Upcoming changes to the Board are as follows:

- Reshma Ramachandran will step down as a Non-Executive Director on 25 July 2024.
- Mary Waldner will step down from the role of Chair of the Audit and Risk Committee with effect from 25 July 2024 and will step down from the Board on 4 February 2025.
- Hannah Nichols will take up the role of Chair of the Audit and Risk Committee with effect from 25 July 2024.

## BOARD LEADERSHIP AND COMPANY PURPOSE

**Effective Board**

The primary function of the Board is to promote the long-term sustainable success of the Group, to generate and preserve value and to contribute to wider society. Our Board equips itself to achieve this by utilising good governance practices and it comprises Directors who possess the necessary skills, knowledge and experience to provide effective leadership.

The Board's approach to governance is explained throughout this Governance Report, on pages 84 to 143, and each Director's biographical information is set out in the Board biographies on pages 86 to 88.

**Purpose, strategy and stakeholders**

Our core purpose is to accelerate the breakthroughs that create a brighter future for our world. Our technology and expertise enable our customers to discover and bring to market exciting new advances that drive human progress.

The Board is responsible for establishing our purpose. It is also responsible for setting the strategy which will deliver in line with the purpose, and which is underpinned by our values, culture and how we do business. Read more about the Board's work on redefining the company's purpose and resetting its strategy on page 95.

For more information on our purpose, see pages 6 and 7 and for more information on our strategy, see pages 22 and 23.

To ensure that it fulfils its obligations to its shareholders and wider stakeholders, the Board actively engages with these groups in order to understand their needs and how delivery of our strategy impacts and delivers value for them.

For more information on our approach to shareholder and stakeholder engagement, see pages 20 to 21 and 90 to 95.

## CORPORATE GOVERNANCE STATEMENT

for the year ended 31 March 2024

This Corporate Governance Statement, along with the Governance Report as a whole, details how the Group has applied the principles and complied with the relevant provisions of the UK Corporate Governance Code 2018 (the 'Code') and other relevant requirements to which it is subject, such as the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules, during the financial year ended 31 March 2024.

This Corporate Governance Statement, as required by the Disclosure Guidance and Transparency Rules, forms part of the Directors' Report and has been prepared in line with the Code, which can be found on the website of the Financial Reporting Council at [www.frc.org.uk](http://www.frc.org.uk). The structure of the Governance Report largely aligns with the structure of the Code in order to most effectively demonstrate how its principles have been applied.

During the financial year ended 31 March 2024, the Board considers that it has complied with the provisions of the Code.

Whilst the specific disclosures required by Disclosure Guidance and Transparency Rule 7.2 are covered in more depth throughout the Annual Report, by way of reference, they can be found as follows:

- A description of the main features of our internal control and risk management systems in relation to the financial reporting process can be found on pages 70 to 72.
- Share capital information can be found in the Directors' Report on page 145.
- Details of the composition of the Board and its Committees can be found on pages 86 to 88.
- Our Board diversity policy is described on page 108.

The Board notes the publication of the revised UK Corporate Governance Code in January 2024 and its work in the year ahead will include planning to adopt the necessary changes it considers appropriate in order to comply with the revised Code.

**Board approval of the Corporate Governance Statement**

This separate Corporate Governance Statement is approved by the Board and signed on behalf of the Board by its Chair and Company Secretary.

NEIL CARSON

Chair

SARAH HARVEY

Company Secretary

10 June 2024



HOW WE ENGAGE WITH OUR STAKEHOLDERS

The Board remains **committed to developing its understanding** of the views of its key stakeholders

**Our approach to engagement**

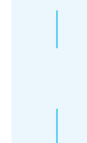
On pages 20 and 21 we have described our key stakeholder groups, the value of each group to the company, the issues which matter most to them and how we engage with them, focusing on our activity over the past year. The Board is committed to developing its understanding of the views of its key stakeholders. As noted earlier in this Annual Report, in some instances the Board engages directly with stakeholders, but there is also significant engagement by senior management and throughout the company. The Board receives reports and updates on such engagement, and the views and feedback gathered from stakeholders are used to inform discussion and decision making.

→ For a snapshot of our key stakeholders see / **pages 20 and 21**

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p><b>Customers</b></p> <p>We put our customers' needs at the centre of our conversations and decision making.</p> <p>Customer intimacy is key not only to helping us identify additional opportunities to deliver increased value to our customers, but to the long-term growth of our business.</p>	<ul style="list-style-type: none"> <li>Excellent customer support and engagement throughout the buying cycle.</li> <li>High-quality products and technical expertise.</li> <li>Products which deliver value and help to meet their objectives.</li> <li>Remote access and continuity of supply during disruption.</li> </ul>	<ul style="list-style-type: none"> <li>The Executive Directors and senior management frequently host direct meetings with key customers from around the world, both virtually and in person at our sites. These meetings provide meaningful opportunities to understand first hand, at a senior level of the organisation, how we can enhance our offering to customers by shaping our understanding of their current and future needs.</li> <li>The Board considers feedback from these meetings, together with, for example, outputs from our heightened customer intimacy such as customer trends.</li> </ul>	<ul style="list-style-type: none"> <li>Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress.</li> <li>Continuing to invest in R&amp;D allows us to deliver cutting-edge products and services. Insights gained from customer intimacy are instrumental in helping to determine where investment should be made.</li> <li>Through deep knowledge of our target market segments and the challenges faced by customers, we have changed the way we communicate with prospective and existing customers, more clearly identifying the value our products can add.</li> <li>Our portfolio focuses on areas where our key enabling technologies are driving long-term success. This allows us to help customers to make ground-breaking discoveries, accelerate their applied R&amp;D and increase productivity in high-tech manufacturing.</li> <li>Insights from customers help us to align our innovation and product development initiatives to their strategic roadmaps, so we can create differentiated products and solutions which provide significant value.</li> <li>We have continued to refine our service offering with digital connectivity helping to maintain productivity through remote access and service.</li> </ul>	<p>Continued investment in high-quality products and technical expertise is key to the long-term growth of the business and is in firm alignment with the company's strategy, which the Board sets and supports.</p> <p>→ See our strategy / <b>pages 22 and 23</b></p>
<p><b>Employees</b></p> <p>Our employees are the foundation of our business success, and we have a responsibility to support their health, wellbeing and development.</p> <p>A highly capable, diverse workforce also enables us to better understand our customers and markets. Building an organisation with a broad range of perspectives and experiences increases our ability to innovate, to make the right decisions and to meet or exceed our customers' expectations.</p>	<ul style="list-style-type: none"> <li>Development and progression opportunities.</li> <li>Health, safety and wellbeing.</li> <li>Equity, diversity and inclusion.</li> <li>Understanding how they contribute to our strategy and success.</li> <li>Clarity of expectation on how recognition and remuneration structures align with accountabilities.</li> </ul>	<ul style="list-style-type: none"> <li>The Board was delighted to again participate in a formal programme of employee engagement activity this year, which included sessions focused on executive remuneration, the ways of working which will enable our colleagues to deliver our strategy, and a full-Board site visit to our new compound semiconductor site at Severn Beach.</li> <li>We maintain an engaging and structured approach to connecting with our employees, with regular sessions for all employees held at business unit and regional level, together with a lively and active intranet and Group-wide email communications on key strategic initiatives. An annual engagement survey tracks employee sentiment.</li> <li>We continue to promote our 'Push for Zero' health and safety programme and Shield reporting system.</li> </ul>	<ul style="list-style-type: none"> <li>The Board discusses the insights and actions from all of its employee engagement activity. This continues to foster meaningful consideration of employees as key stakeholders. The Board will be participating in an extensive programme of engagement activity during 2024/25.</li> <li>The Remuneration Committee reviewed the wider workforce remuneration landscape and related policies, and considered these when setting Executive Director and Management Board remuneration.</li> <li>We have continued to promote observation reporting, aiming to ensure that remedial actions can be taken to prevent accidents from happening.</li> <li>The Sustainability Committee considered our maturing approach and internal targets and measures relating to equality, diversity and inclusion.</li> </ul>	<p>Decisions relating to our social sustainability agenda, from health, safety and wellbeing to investment in our people.</p> <p>→ See the Sustainability Report / <b>pages 34 to 57</b> and the Sustainability Committee Report / <b>pages 117 to 119</b></p> <p>Setting Executive Director and Management Board remuneration.</p> <p>→ See the Directors' Remuneration Report / <b>pages 120 to 143</b></p>

## HOW WE ENGAGE WITH OUR STAKEHOLDERS continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p><b>Shareholders</b></p> <p>Generating value for shareholders is part of the Board's fundamental role, alongside promoting the long-term sustainable success of the company and the Group and contributing to society.</p> <p>Our goal is to deliver shareholder returns through profitable, sustainable growth with strong cash conversion and efficient use of capital.</p>	<ul style="list-style-type: none"> <li>Current and future financial performance.</li> <li>Communication and engagement.</li> <li>Sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>We actively engage with shareholders throughout the year to ensure they understand the performance of the business.</li> <li>Our ongoing programme of dialogue includes numerous shareholder meetings and roadshows, which are facilitated alongside the publication of the Annual Report and full-year and half-year results announcements.</li> <li>During the year, the Chair, Senior Independent Director, Remuneration Committee Chair and Executive Directors all directly engaged with a range of shareholders, including both virtual and in-person meetings at our sites. Key topics included the company's financial results, strategy and the new Directors' Remuneration Policy which was approved by shareholders at the 2023 AGM.</li> <li>Our externally appointed IR specialist increases the bandwidth available to meet and inform a broader range of new shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>The Board as a whole receives updates regarding the nature and outcome of meetings and engagement by certain Directors with the company's shareholders. This feedback helps the Board to shape the strategy which enables the company to deliver shareholder returns through profitable, sustainable growth with strong cash conversion and efficient use of capital.</li> <li>Our Remuneration Committee engaged with and considered the feedback of our major shareholders and other key stakeholders when developing the new Directors' Remuneration Policy. Their feedback proved particularly insightful in helping to shape the sustainability-related performance metrics for Executive Director remuneration.</li> </ul>	<p>Developing and delivering against our strategy</p> <p>→ See our strategy / pages 22 and 23</p> <p>Implementation of the Directors' Remuneration Policy.</p> <p>→ See the Directors' Remuneration Report / pages 120 to 143</p> <p>Consideration and decisions relating to our wider sustainability agenda, from diversity and inclusion to setting net zero targets.</p> <p>→ See the Sustainability Report / pages 34 to 57 and the Sustainability Committee Report / pages 117 to 119</p>
<p><b>Suppliers</b></p> <p>Our supply chain plays a vital role in supporting sustainable growth and efficiency across the business.</p> <p>It is imperative that we attain the highest quality products and service for our customers, whilst also striving to enhance the efficiency of the business and to reduce risk.</p> <p>Engaging with our supply chain is also crucial in the development and delivery of our net zero commitment.</p>	<ul style="list-style-type: none"> <li>Long-term partnerships.</li> <li>Visibility of the wider supply chain, so that they can best forecast future requirements.</li> <li>Strong relationships built on trust and respect.</li> </ul>	<ul style="list-style-type: none"> <li>It is crucial to provide our suppliers with accurate forward visibility in order to align our customers' requirements with our total supply capabilities. We share the output from our sales and operations planning process with them, and we have dedicated Category Managers to help reduce risk and improve efficiency. We must ensure our extended supply chain adheres to our strict environmental compliance, whilst challenging them to provide improvements to quality. Our key suppliers are encouraged to become part of our new product introduction process, allowing them to add value to our process.</li> <li>The Board remained mindful of potential supply chain challenges and where appropriate, will be briefed as regards any necessary work to mitigate the impacts of these challenges.</li> </ul>	<ul style="list-style-type: none"> <li>As part of our operational excellence programme, we have continued to work to strengthen our supply chain through executing a procurement strategy focused on leveraging our scale and building long-term strategic relationships with fewer suppliers. We have also appointed a Chief Transformation Officer whose remit includes supply chain best practice.</li> <li>We have continued to develop our supplier due diligence and audit procedures. We have a zero-tolerance approach to all forms of modern slavery, including servitude, forced, bonded and compulsory labour and human trafficking, and we expect our suppliers to adopt the same approach.</li> </ul>	<p>Developing and delivering against our operational excellence programme.</p> <p>Decisions relating to the environmental and governance strands of our sustainability agenda, from supply-chain responsible sourcing to human rights and modern slavery.</p> <p>→ See the Sustainability Report / pages 34 to 57 and the Sustainability Committee report / pages 117 to 119</p>
<p><b>Local communities</b></p> <p>Striving to meet our purpose in alignment with our values enables us to support the development of stronger communities and have a positive environmental and social impact.</p>	<ul style="list-style-type: none"> <li>The environment.</li> <li>Local small businesses.</li> <li>Schools and colleges within their region.</li> <li>Volunteering opportunities.</li> <li>Charitable donations.</li> <li>The appearance and tangible impact of our sites and operations.</li> </ul>	<ul style="list-style-type: none"> <li>We actively engage in locally focused activities that make our communities and environments a better place to live and work.</li> <li>We are committed to empowering students with an understanding of the working world and the range of career opportunities that choosing STEM subjects could open up, so we facilitate school visits, work experience programmes and industrial postdoctoral placements.</li> <li>We aim to support the small, independent businesses near our sites.</li> <li>We help our employees to support their local communities through charitable donations.</li> <li>We aim to be considerate neighbours in all aspects of how we operate, but in particular, we recognise the importance of the appearance and tangible impact of our sites and operations.</li> </ul>	<ul style="list-style-type: none"> <li>We operate 'Go Green' committees at many of our sites to deliver a local environment agenda and promote positive behaviours amongst peers. They are focused on finding innovative ways to improve our environmental impact.</li> <li>Many of our people are keen to share their expertise and to make a difference to the people and organisations that are close by, and we encourage them to get involved through volunteering schemes. We operate a 'Volunteer time-off' programme for eligible employees which offers many benefits, including increasing the positive impact we have in our communities, boosting employee morale and enhancing team bonding.</li> <li>We have facilitated collections of contributions to local food banks and fundraising activity for local charities and causes.</li> <li>We are committed to minimising emissions.</li> </ul>	<p>Decisions relating to our wider sustainability agenda, from community impact to supporting next-generation talent.</p> <p>→ See the Sustainability Report / pages 34 to 57 and the Sustainability Committee Report / pages 117 to 119</p>





## HOW WE ENGAGE WITH OUR STAKEHOLDERS continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p><b>Society</b></p> <p>Through our stated purpose – to accelerate the breakthroughs that create a brighter future for our world – we are committed to making a positive impact on the world through our solutions and services.</p> <p>Our purpose underpins our wholehearted commitment to playing our part in creating a sustainable future throughout our operations, and by behaving as a responsible business.</p>	<ul style="list-style-type: none"> <li>Protecting and enhancing the environment.</li> <li>Addressing the impacts, risks and opportunities arising from climate change.</li> <li>The development of new and affordable vaccines and treatments for diseases.</li> <li>Fostering a more connected world.</li> <li>Enabling advances in technology.</li> </ul>	<ul style="list-style-type: none"> <li>Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress.</li> <li>We use our market intimacy to develop new products and services in pursuit of our purpose.</li> <li>We engage directly with universities, governments and leading companies to explore and develop new ideas, and to support productivity.</li> <li>Our Sustainability Committee elevates oversight of the Group's sustainability agenda to Board level, with a specific focus on considering our approach to climate change, amongst other things.</li> </ul>	<ul style="list-style-type: none"> <li>Our sites and grounds are well maintained and sensitive to the local environment and wildlife.</li> <li>We continue to develop new products and services, as set out in the operational review on pages 26 to 33.</li> <li>Our Sustainability Committee has continued to keep under review the progress being made across its wider remit, including our work towards achieving our ultimate net zero target of 2045 and interim targets to 2030 in respect of both our Scope 1 and 2 emissions.</li> </ul>	<ul style="list-style-type: none"> <li>See our Sustainability Report / pages 34 to 57</li> <li>Information on the work of the Sustainability Committee can be found on / pages 117 to 119</li> </ul>



### PRINCIPAL DECISION CASE STUDY

## Guiding our ambitions: our new strategy and purpose

A key area of focus during the year was the redevelopment of our strategy and purpose. These are crucial underpins which will guide us as we strive to fulfil our ambitions and to achieve even more for all of our stakeholders, especially our customers, employees and shareholders. The process was consultative and collaborative from the outset and throughout, with the executive team and Board taking a range of views from different stakeholders on the status quo and the business's strengths and challenges, before developing the Group's future strategy. The Management Board participated in a series of full-day workshop sessions, and focus groups were held with a wide cross-section of employees representing different businesses, regions and functions. Interviews with external stakeholders including customers, brokers and corporate advisers also played a key role in shaping the strategy.

At the core of our strategy and future plans, is our newly articulated purpose, which is to accelerate the breakthroughs that create a brighter future for our world, as our technology and scientific expertise enables our customers to discover and bring to market exciting new advances that drive human progress.

This reflects in particular how our scientific and technical expertise is the beating heart of our organisation. In redefining our purpose and as a particular consideration in our decision making, we have sought to ensure that we have not lost sight of the science, technology and innovation which has been at the core of the company and its success since its inception, whilst now reflecting that we are the enabler which can help to accelerate and unlock progress across critical areas spanning healthcare, sustainability and global connectivity.

The Group's new strategy (see pages 10 to 15 and 22 to 23) is founded on developing focused, customer-first ways of working, simplifying our organisation and processes, and making a step change in operational performance, while protecting our investments in products and technology – the foundation of our existing success. It sets out a pathway which will enable us to achieve greater value for all our stakeholders, improving our delivery to customers, delivering higher returns to shareholders, and providing career development opportunities for our employees.

## SECTION 172(1) STATEMENT

During the year to 31 March 2024, the Board of Directors has acted to promote the long-term success of the company for the benefit of its shareholders, whilst having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006, being:

- The likely consequences of any decision in the long term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers and others.
- The impact of the company's operations on the community and the environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the company.

Further information which demonstrates how the Board has had regard to these matters can be found in the preceding 'How we engage with our stakeholders' section on pages 90 to 95.

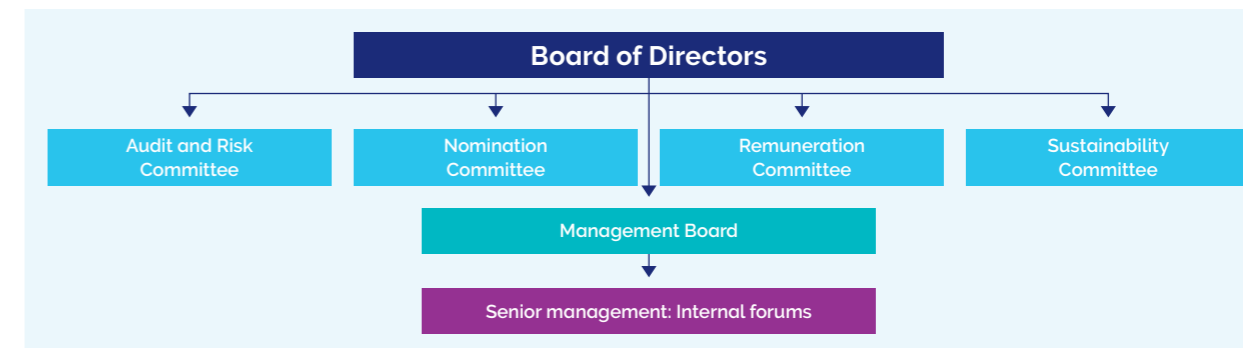
### Additional information demonstrating how the Board has had regard to the factors set out in Section 172(1) of the Companies Act 2006

Matters per Section 172(1)(a) to (f) of the Companies Act 2006	Key example(s)	Page number
<b>Consequences of any decision in the long term</b>	Our purpose-led approach	6 and 7
	Our strategy	22 and 23
	Risk management	70 to 78
<b>Interests of employees</b>	Employee engagement	90 and 91
	Our purpose-led approach	6 and 7
	Sustainability	34 to 57
<b>Fostering business relationships with suppliers, customers and others</b>	Engagement with suppliers	92 and 93
	Engagement with customers	90 and 91
	Supply chain practices	56
<b>Impact of operations on the community and the environment</b>	Sustainability	34 to 57
	Our purpose-led approach	6 and 7
<b>Maintaining a reputation for high standards of business conduct</b>	Our purpose-led approach	6 and 7
	Compliance	56 and 57
	Anti-bribery and anti-corruption	56
	Human rights and modern slavery	57
	Privacy and data protection	57
	Data security	57
	Whistleblowing	114 and 115
Export Control Policy	56	
<b>Acting fairly between members</b>	Shareholder engagement	92 and 93
	Shareholder information	144

## DIVISION OF RESPONSIBILITIES

### Our governance structure

The below structure summarises our approach to governance throughout the organisation. The Board is ultimately responsible for having oversight of and providing leadership to the Group. Our governance structure demonstrates how the Board is supported in carrying out its responsibilities. It is particularly supported by its Committees, the Management Board and the work of various internal forums led by senior management.



### Board of Directors

- The role of the Board is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.
- Responsibilities of the Board are documented within its schedule of reserved matters which form part of its governance reference materials; these are reviewed and amended by the Board periodically.
- Delegates certain matters to its Committees and the day-to-day running of the business to the Executive Directors and Management Board.
- Collectively responsible for engagement with the workforce.

### Board Committees

- These comprise Non-Executive Directors and meet the independence requirements set out in the UK Corporate Governance Code 2018.
- Four dedicated Committees: Audit and Risk, Nomination, Remuneration, and Sustainability.

- A summary of the key responsibilities of each Committee is set out in their respective reports included within this Annual Report.
- Responsible for a range of matters specifically delegated by the Board, as set out in their respective terms of reference, which are reviewed on an annual basis and can be found on our website at: [www.oxinst.com/investors-content/advisers-and-company-secretary](http://www.oxinst.com/investors-content/advisers-and-company-secretary).

### Management Board

- Responsible for the day-to-day running of the business of the Group, where delegated by the Chief Executive Officer.
- Focuses on Group-wide performance, strategy and risk management.
- Meets at least monthly.

### Senior management: Internal forums

- Report to the Management Board either directly or indirectly.
- Lead internally on delivering the objectives delegated by management as well as workstreams which encompass our sustainability strategy via the Sustainability Leadership Forum.

### Responsibilities of the Chair, Chief Executive Officer and Senior Independent Director

The responsibilities of the Chair, Chief Executive Officer and Senior Independent Director are documented within the Board's governance reference materials which are reviewed and amended by the Board on a periodic basis. A high-level summary of these responsibilities is set out below.

#### Chair

- Leads the Board.
- Promotes high standards of governance and ensures the Board is effective in directing the company.
- Ensures that the Board has effective decision-making processes and applies appropriate challenge to major proposals.
- Sets the agenda of the Board.
- Facilitates participation and engagement by all Directors in meetings.

#### Chief Executive Officer

- Day-to-day running of the business of the Group.
- Leads the Management Board.
- Proposes and implements the strategy.

#### Senior Independent Director

- Acts as a sounding board to the Chair and supports delivery of their objectives.
- Leads the evaluation of the Chair on behalf of the other Directors.
- Available to the company's shareholders.





## DIVISION OF RESPONSIBILITIES continued

### Board and Committee meetings and attendance

The table below sets out the number of meetings attended by each Director during the year ended 31 March 2024, of those which they were required and eligible to attend.

This includes all customary meetings as well as ad hoc meetings scheduled during the year. The Directors also held a number of meetings without the Executive Directors present, both with and without the external auditor in attendance. As noted in the Committee reports included within this Annual Report, Directors who are not members of the respective Committees may be invited to join meetings as regular or ad hoc attendees.

Director	Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Neil Carson	9/9	N/A	3/3	7/7	5/5
Richard Tyson <sup>1</sup>	3/3	N/A	N/A	N/A	N/A
Gavin Hill	9/9	N/A	N/A	N/A	N/A
Alison Wood	8/9	7/8	3/3	6/7	5/5
Mary Waldner	9/9	8/8	3/3	7/7	5/5
Sir Nigel Sheinwald	9/9	8/8	3/3	7/7	5/5
Reshma Ramachandran	8/9	7/8	2/3	6/7	4/5
Hannah Nichols <sup>2</sup>	2/2	2/2	2/2	1/1	1/1

1. Appointed to the Board on 1 October 2023.

2. Appointed to the Board on 1 January 2024.

### Directors' continuous development and access to advice

The Chair is responsible for ensuring that all of the Directors are appropriately briefed on matters arising at Board meetings and that they have full and timely access to accurate and relevant information. To enable the Board to discharge its duties, all Directors receive sufficient information, including briefing papers distributed in advance of their meetings. The Committees of the Board have access to sufficient resources to discharge their duties, including external advisers and access to internal resources and personnel.

Where they judge it to be necessary to discharge their responsibilities, Directors may obtain independent professional advice at the company's expense. All Directors also have access to the advice of the Company Secretary, who is responsible for advising the Board on all governance matters.

For information regarding the development activities undertaken by the Board during the year, see the Board professional development section on page 102.

### Stakeholder engagement

The Board is committed to developing its understanding of the views of its key stakeholders. As noted earlier in this Annual Report, in some instances the Board engages directly with stakeholders, but there is also significant engagement by senior management and throughout the company. The Board receives reports and updates on such engagement and the views and feedback gathered from stakeholders are used to inform discussion and decision making. Please see pages 20 and 21 regarding 'Engaging with our stakeholders' and pages 90 to 95 regarding 'How we engage with our stakeholders' for more information, including the Board's Section 172(1) statement.

### Board priorities during the year

The table below summarises some of the highlights from the Board's key areas of focus and discussion during the financial year. For more information regarding the key areas of focus for the Committees of the Board, please see their respective reports within this Annual Report.

#### Stakeholders considered key:

- 1 Customers
- 2 Employees
- 3 Shareholders
- 4 Suppliers
- 5 Local communities
- 6 Society

#### Key areas of focus and discussion

#### Stakeholders considered

##### Theme: Strategy, performance and operations

Annual dedicated strategy review session and across a range of meetings, particularly in the latter half of the year, with a focus on the redevelopment of our strategy and purpose

1 2 3  
4 5 6

Regularly reviewed business development activities and the acquisition proposal pipeline, including approval of the acquisitions of First Light Imaging SAS, which was completed in January 2024 and FemtoTools AG, which was agreed on 7 June 2024, subject to certain closing conditions which are expected to be satisfied within four weeks of signing this Annual Report

1 2 3  
4 6

Monitored performance and provided challenge relating to key areas within operations in the broadest sense, including health and safety, operational excellence, human resources, innovation and business development. Considered in particular the ongoing operational improvement-related work

1 2 4

Reviewed and approved individual capital expenditure projects, including that relating to the extension of our production capacity in Belfast to meet growing Life Science demand

2 3 5

##### Theme: Finance, reporting, risk management and controls

Monitored progress against the 2023/24 financial plan and reviewed and approved the 2024/25 financial plan

1 2 3  
4 5 6

Considered and approved the Annual Report, half-year results and trading updates, as well as the proposed interim and final dividend payments

3

Increased the multi-currency facility available to the Group

3

Monitored the outputs from the formal process which identifies, evaluates and reports on risks and opportunities across the Group

1 2 3  
4 5 6

##### Theme: Leadership and people

Assessed current composition of the Board including tenure, skills, experience and diversity characteristics, in order to inform the approach to future Board composition

2 3 6

Continued focus on organisational capability and succession planning within senior leadership teams and across the organisation

2

Completed the recruitment process for a new Non-Executive Director with the capability to take up the role of Chair of the Audit and Risk Committee in due course, resulting in the appointment of Hannah Nichols, effective 1 January 2024

2 3

Concluded the succession process regarding our change of Chief Executive Officer, with Richard Tyson succeeding Ian Barkshire as Chief Executive Officer with effect from 1 October 2023

2 3

##### Theme: Governance and responsible business

Presented the new Directors' Remuneration Policy for approval at our AGM on 19 September 2023 and received strong shareholder endorsement with a supporting vote of 98.04%

2 3

Consideration of views of key stakeholders and impact of decisions on them, including reviews of shareholder feedback as collated by external advisers

1 2 3  
4 5 6

Full-Board site visit to our new compound semiconductor site at Severn Beach, including dedicated workforce engagement activities, strategy deep-dive session and a full site tour

1 2 3  
4 5 6

Reviewed and discussed the outcomes of the internal Board performance review and agreed an action plan for 2024/25. Reviewed progress against the 2023/24 internal Board evaluation action plan

3

Regular meetings without the Executive Directors present

3

Regular meetings with BDO LLP, both with and without the Executive Directors present

3

Maintained oversight of our progress towards achieving our net zero targets

1 2 3  
4 5 6

Monitored progress against the targets and measures which aim to advance the social and governance pillars of our sustainability strategy

1 2 3  
4 5 6

Oversight of the Group's sustainability-related narrative reporting and external disclosures, including our Task Force on Climate-related Financial Disclosures Statement, the integrated Sustainability Report and our standalone Sustainability Report

3

## DIVISION OF RESPONSIBILITIES continued

### Board independence

At the conclusion of the financial year, the Board comprised eight Directors, including the Chair (who was considered independent upon appointment to the Board), five Non-Executive Directors (all of whom were considered by the Board to be independent upon annual assessment), and two Executive Directors (being the Chief Executive and Chief Financial Officer). The Board is therefore compliant with the recommendation of the Code, that it should comprise at least 50% independent Non-Executive Directors, excluding the Chair. The Committees of the Board also remained compliant with the recommendations of the Code during the year and further information regarding their membership can be found within the respective Committee reports included within this Annual Report.

### External commitments

The Board is mindful of the time commitment required by the Non-Executive Directors in order to effectively fulfil their duties. Prior to appointment, prospective Directors provide details regarding other roles and significant commitments which may impact their ability to commit to the company. All Directors keep the Board informed regarding proposed external appointments or significant commitments as they arise, with Chair approval required prior to taking on any additional external appointment and commitments monitored to ensure that each Director has sufficient time to fulfil their obligations. Each Director's biographical information and significant time commitments are set out in the Board biographies on pages 86 to 88. Changes to Directors' commitments during the year are noted in the below table.

### Conflicts of interest

The Companies Act 2006 states that Directors must avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests. Boards of public companies may authorise conflicts and potential conflicts, where appropriate, if permitted by the company's Articles of Association – and the company's Articles of Association do allow for this.

Directors are required to disclose conflicts and potential conflicts to the Chair and the Company Secretary as and when they arise. When a Director takes on additional external commitments, they will discuss the potential position with the Chair and confirm that, as far as they are aware, there are no conflicts of interest. During the year, none of the Directors declared to the company any actual or potential conflicts of interest between any of his or her duties to the company and his or her private interests and/or other duties, except for the Executive Directors, who hold the position of Director of the company as well as acting as director of a number of Group subsidiary companies. Alison Wood, our Senior Independent Director and Chair of the Remuneration Committee also serves as a Non-Executive Director of TT Electronics plc, where Richard Tyson was previously the Chief Executive. Whilst not obliged to do so, she prudently decided to recuse herself from all decision making in relation to Richard's appointment and remuneration, both at Oxford Instruments plc and TT Electronics plc. The system for monitoring potential Director conflicts remained effective throughout the period.

### Change in Directors' commitments

The table below sets out the changes to the external appointments of the Directors which took effect or were confirmed during the financial year and up to the date of signing the Annual Report.

Director	Change in commitment	Effective date of change
Alison Wood	Resigned as Non-Executive Director and Chair of the Remuneration Committee of the British Standards Institute (non-listed).	August 2023
Gavin Hill	Appointed as Non-Executive Director and Chair of the Audit Committee of BMT Group Limited.	April 2023
Nigel Sheinwald	Resigned as Senior Adviser to Tanium, a cyber-security company.	June 2023
Reshma Ramachandran	Appointed as Non-Executive Director of ISS A/S.	April 2023
	Appointed as Chief Transformation Officer and member of the Executive Board of APCOA Parking AG.	October 2023
	Appointed as Senior advisor at Boston Consulting Group LLC.	August 2023

## COMPOSITION, SUCCESSION AND EVALUATION

### Appointments to the Board

The Nomination Committee is responsible for leading the process for appointments to the Board and its standard process when making new appointments to the Board is set out below.

### Director appointment process

<b>Evaluate Board composition and determine required capabilities of proposed appointee</b>	Evaluate the Board's skills, experience, independence, diversity and knowledge and utilise this to develop a specification which reflects the role and specific capabilities required.
<b>Advertise role and determine long list of potential candidates</b>	Advertise the role using open advertising (unless confidential) and by instructing external executive search consultants with the necessary expertise. Identify long list of potential candidates based on, amongst other things, experience, capabilities, merit and diversity.
<b>Refine short list of potential candidates and complete interviews</b>	Determine short list and invite the potential candidates to complete a formal interview process. Interview process to be facilitated by various Board members but specifically the Chair, Chief Executive Officer and senior management, as appropriate.
<b>Consideration and approval by Nomination Committee</b>	Nomination Committee to consider the short-listed candidates and feedback from interview process from both interviewers and interviewee. Determine the preferred candidate and recommend their appointment to the Board for approval.
<b>Consideration and approval by Board</b>	Board to consider and, if thought fit, approve the proposed appointment of the preferred candidate. Market announcement made in accordance with regulatory requirements.

### Director re-election

In line with best practice and the company's Articles of Association, all Directors are required to retire from office at each AGM, in order to be proposed for re-election by the company's shareholders should they wish to continue in their role. At the company's 2023 AGM, all Directors on the Board at that time were reappointed by shareholders with majority votes ranging from 95.91% to 99.87%.

On 1 October 2023, Richard Tyson was appointed to the Board as an Executive Director in his capacity as Chief Executive Officer and on 1 January 2024, Hannah Nichols was appointed to the Board as a Non-Executive Director. Both Richard and Hannah will stand for election for the first time at the company's 2024 AGM. Hannah will also take up the role of Chair of the Audit and Risk Committee with effect from the conclusion of the AGM.

Reshma Ramachandran will not submit herself for re-election by shareholders and will stand down as a Non-Executive Director with effect from the conclusion of the AGM, due to her appointment in a new executive role externally, which will restrict the available time which she can commit to her role with the company.

The Board sincerely thanks Reshma for the valuable contributions she has made during her time as a Director.

Mary Waldner joined the Board in February 2016, and will stand down as a Non-Executive Director in February 2025, when she will have served as a Non-Executive Director for nine years, in line with best practice. She will step down from the role of Chair of the Audit and Risk Committee with effect from the conclusion of the AGM, with Hannah Nichols taking up this role, as noted above.

Each of the other Directors will retire from office at the AGM and each has agreed to submit himself or herself for re-election by shareholders.

Having considered the performance and contribution of each of the Directors, the Board remains satisfied that they are operating effectively and continue to demonstrate commitment to their roles. The Board will therefore recommend the election or re-election of all Directors who intend to stand for appointment at the AGM.

The biographical information of each Director, their initial appointment dates and the reasons for their respective election or re-election, where applicable, can be found on pages 86 to 88. More information regarding the Board and the Director performance review process is set out on pages 102 and 103.

### Board induction programme

The Chair and Company Secretary are responsible for ensuring that all Directors receive a full, formal and tailored induction upon joining the Board. Whilst our induction programme will be tailored based on the needs, experience and background of the individual Director, it will ensure that they gain a comprehensive understanding of the Group through activities including: visits to our sites, one-to-one sessions with the Executive Directors, sessions with all members of the Management Board, meetings with various functional and regional heads, and the opportunity to meet with a range of employees across the business.





## COMPOSITION, SUCCESSION AND EVALUATION continued

The case study on page 103 provides an illustration of our induction programme in practice, following the appointment of Hannah Nichols as a Non-Executive Director during the financial year.

**Board professional development**

The Board and Committees receive dedicated training and information on matters relevant to the Group's business, including operational and technological briefings and updates on legal, regulatory and governance developments. During the year, training and updates were provided by the company's remuneration adviser and external counsel, as well as internal subject matter experts.

For more information regarding our approach to Directors' continuous development and access to advice, please see page 98.

**Board composition**

The Board, via the Nomination Committee, keeps under continuous review its composition and that of its committees. Its review considers the balance of the Directors' skills and experience as well as their tenure, independence, time commitment and diversity. The Nomination Committee also carries out a formal, in-depth review of Board and committee composition at least annually.

For more information regarding the recent and anticipated changes to the Board's composition, see the Nomination Committee Report on pages 106 to 109.

**Annual Board Performance Review**

The Board recognises the need to continually monitor and improve its performance. It carries out internal or externally facilitated Board performance reviews annually, in order to obtain feedback to help to improve its effectiveness.

**Internal Board evaluation 2022/23: Progress**

The Board completed an internally facilitated performance review during the previous financial year. This generated recommendations which the Board agreed to implement. In line with its dedicated action plan, during the year the Board:

- as part of their work on the redevelopment of the company's strategy and purpose, considered the current and anticipated macro backdrop impacting the Group;
- developed and delivered a smooth succession plan for the role of Chair of the Audit and Risk Committee, with the appointment of Hannah Nichols as a Non-Executive Director on 1 January 2024 who will take up the role with effect from the conclusion of the 2024 AGM. Hannah has been completing a robust handover with the current Audit and Risk Committee Chair, Mary Waldner, who will be stepping down from the Board in February 2025;

- continued to progress the workforce engagement programme through meeting and hearing from a range of employees at various levels and roles, primarily as part of the full-Board site visit to our new compound semiconductor site at Severn Beach and through a dedicated session on remuneration hosted by Alison Wood in her capacity as Chair of the Remuneration Committee; and
- facilitated Director development opportunities across a range of topics including sustainability, corporate governance and the evolving legal landscape. Also received briefings on matters relevant to the Group's business, including operational updates.

**Internal Board Performance Review 2023/24: Process**

This year, the Board completed an internally facilitated performance review. The process included:

- discussions between the Chair and the Company Secretary to agree the scope of the evaluation and focus areas;
- online questionnaire issued to and completed by all Directors;
- evaluation report prepared and findings discussed by the Chair and Company Secretary;
- aggregated feedback and proposed actions shared with and discussed by the Board; and
- Board discussed and agreed actions to be implemented.

**Internal Board Performance Review 2023/24: Outcomes and actions**

The internal Board performance review concluded that the Board and its Committees function well and that all individual Directors contribute meaningfully and demonstrate commitment to their roles. The Board developed and agreed an action plan for the year ahead, highlights from which include:

- enhancing the Board's approach to risk management;
- continuing to advance the formal workforce engagement programme to provide meaningful insights for both the Board and our colleagues; and
- providing even further director development opportunities, relevant to the business.

**Induction of Richard Tyson as Chief Executive Officer**

**Richard Tyson was appointed to the Board with effect from 1 October 2023 and since joining, has immersed himself in getting to know the business at first hand, meeting key stakeholders including customers, shareholders and colleagues around the world.**

*"I'm really grateful for the very warm welcome I've had everywhere I've been. I've also come away from every visit impressed by the talent and commitment of our teams, the strength of our product ranges and the brilliant ideas coming through for new product development. I can also see huge potential for us to be even more effective in the years to come, with opportunities to simplify the way we operate that will deliver efficiencies that we can reinvest back into the business."*

Highlights from Richard's first few months as he immersed himself into the business included:

- embarking on multiple visits to all of our major sites around the world, including those across the UK, China, Germany, Japan and the US, which provided opportunities to:
  - see our advanced technology in action;
  - meet with and hear from a wide range of colleagues across our organisation;
  - gain a first-hand insight into the working practices at our sites; and
  - assess our strategy in action; helping to shape his views on the future of the organisation;
- building strong working relationships with members of the Board and developing his understanding of their views on the opportunities for and challenges facing the business; and
- developing a robust framework to support him in delivering his role, ranging from expanding the Management Board to engaging external advisers to support robust and well-informed decision making.

**Induction of Hannah Nichols as Non-Executive Director**

**Hannah Nichols was appointed to the Board with effect from 1 January 2024 and, since joining, has undertaken a full and formal induction, tailored to her individual needs.**

*"I am delighted to have joined Oxford Instruments as Non-Executive Director and was very impressed with the leading-edge products and services showcased during my recent visits to High Wycombe and Tubney Woods. I really appreciate the warm welcome I have received to date and look forward to spending more time with our talented teams during future visits."*

Key features of Hannah's tailored induction programme included:

- one-to-one sessions with the Executive Directors to gain an in-depth understanding of the business;
- sessions with all members of the Management Board, to develop an understanding of their roles and responsibilities;
- visits to our sites at Tubney Woods, High Wycombe and Severn Beach;
- legal training session with the company's UK corporate counsel regarding the obligations of a UK listed company and its directors, with a focus on the regulatory framework for UK listed companies, directors' duties and the UK Corporate Governance Code and related obligations;
- meetings with various functional and regional heads including the Company Secretary, General Counsel, Director of Communications, Group Financial Controller, Group HR Director, Head of Tax and Head of Internal Audit, Risk Assurance and Group International Trade Compliance;
- introductions to the company's key advisers including its auditor, UK corporate counsel and remuneration consultant; and
- commenced handover activities with Mary Waldner, whom Hannah will succeed as Chair of the Audit and Risk Committee with effect from the conclusion of the AGM on 25 July 2024.



## COMPOSITION, SUCCESSION AND EVALUATION continued

### Board skills, experience and diversity characteristics

The Board is committed to promoting diversity and inclusion, both on the Board and throughout the Group. The Board recognises that diversity, construed in its broadest sense and including gender, religious and ethnic diversity, disability, sexual orientation, social and economic backgrounds, age and cognitive and personal strengths, is an important factor in Board and, indeed, operational effectiveness.

During the year, the Directors participated in a process to identify their own skills, experience and diversity characteristics. The results of this process are set out below and on the page opposite and have been used to help assess the future needs of the Board, particularly in determining the ideal attributes of prospective appointees to the Board.

The Board diversity policy and our plans and progress in line with the recommendations of the FTSE Women Leaders Review and the Parker Review, respectively, are described in the Nomination Committee Report on pages 106 to 109.

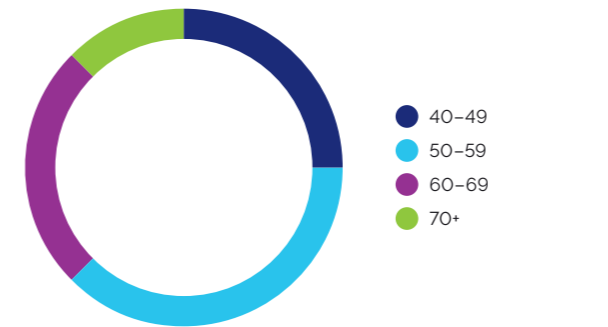
For more information regarding our approach to equality, diversity and inclusion across the Group, please see our Sustainability Report on pages 34 to 57.

### Board skills and experience

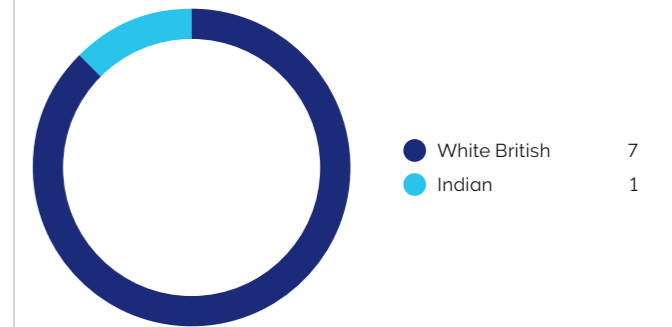
Specific skill, experience or expertise	Number of Directors identifying as having specific skill, experience or expertise						
Chairmanship	2						
Listed Company Executive directorship(s)				5			
Listed Company Non-Executive directorship(s)						7	
Financial expertise			4				
Financial reporting experience			4				
Risk management					6		
Investor relations				5			
Corporate governance						8	
Executive remuneration				5			
Workforce engagement			4				
Strategy development						8	
International business experience						8	
Commercial and business development			4				
Business management				5			
Operations and manufacturing				5			
Services and life cycle revenue		3					
Technology, Science or Engineering			4				
Sustainability		3					
Climate change			4				
Energy transition		3					
Customer focus		3					
People leadership				5			
Digital experience	2						

### Board diversity characteristics

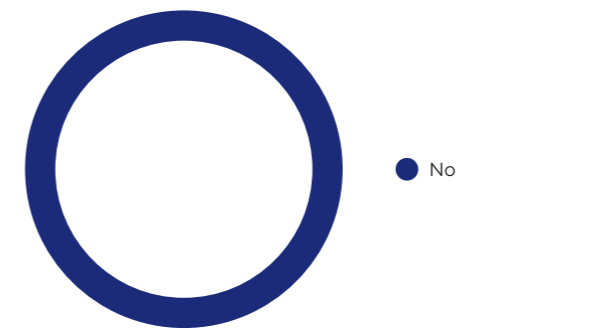
#### Age



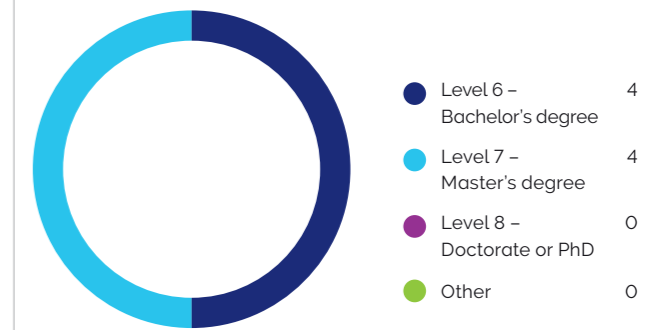
#### What is your ethnic group?



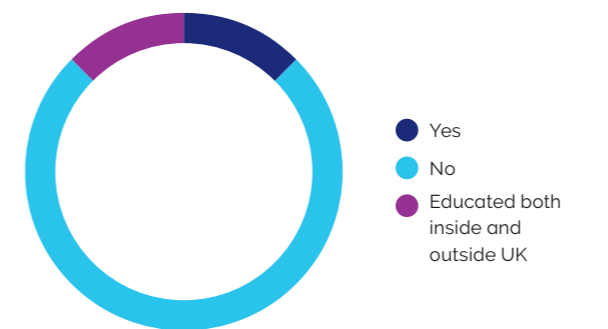
#### Do you consider yourself to have a disability defined by the Equality Act 2010?



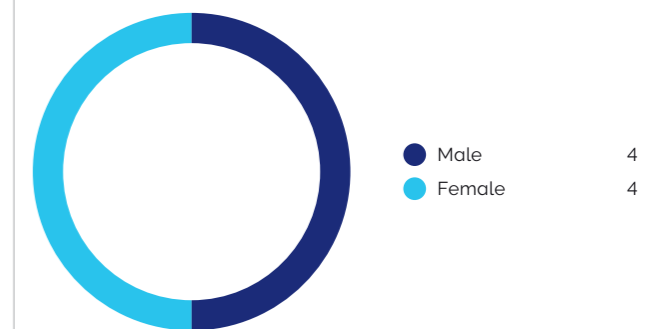
#### What is your highest level of educational attainment?



#### Were you educated outside the UK?



#### Board gender diversity





## NOMINATION COMMITTEE REPORT



**NEIL CARSON**  
Chair of the Nomination Committee

### Committee membership

#### The current members of the Committee are:

Neil Carson (Chair), Alison Wood, Mary Waldner, Nigel Sheinwald, Reshma Ramachandran and Hannah Nichols.

#### Changes to Committee membership:

Richard Friend stepped down as a member of the Committee upon his resignation from the Board on 28 July 2023 and Hannah Nichols joined as member of the Committee upon her appointment to the Board on 1 January 2024.

- For details of attendance at Committee meetings during the financial year, see page 98.
- For the biographies of all Committee members, see pages 86 to 88.

### Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2024.

The Committee has again enjoyed a busy year, with the range of recent and upcoming changes to the composition to our Board being a reflection of the importance we place on robust succession planning and the execution of our plans.

After completing a rigorous search process, we were pleased to recommend that the Board appoint Hannah Nichols as a Non-Executive Director with effect from 1 January 2024. Hannah's experience means that she is well equipped to take up the role of Chair of the Audit and Risk Committee, which she will do with effect from the conclusion of the AGM to be held on 25 July 2024. Since joining the Board, Hannah has completed a formal induction programme, which you can read more about on page 103. Further details regarding our Director appointment process can also be found on page 101.

During the year we were pleased to have concluded the succession process regarding our change of Chief Executive Officer, with Richard Tyson succeeding Ian Barkshire as Chief Executive Officer with effect from 1 October 2023. The Board is thankful for the tremendous contribution Ian has made and is sure that he will look back on his long career with Oxford Instruments with immense pride. Richard has joined us from global electronics company TT Electronics plc, where he was Chief Executive Officer, and we have been delighted with his work so far, as he leads us into the next phase of our development and growth.

For more detail regarding remuneration arrangements applicable to Ian's retirement and Richard's appointment to the Board, see the Directors' Remuneration Report on pages 120 to 143.

As explained earlier in this Annual Report, Reshma Ramachandran will stand down as a Non-Executive Director with effect from the conclusion of the AGM, due to her appointment in a new executive role externally, which will restrict the available time which she can commit to her role with the company. The Board sincerely thanks Reshma for the valuable contribution she has made during her time as a Director. In addition, and as noted in the Report and Financial Statements 2023, after having served on the Board for almost nine years, Professor Sir Richard Friend stepped down as a Non-Executive Director of the company with effect from 28 July 2023. Further, Mary Waldner will stand down as a Non-Executive Director in February 2025 in line with best practice and will step down from the role of Chair of the Audit and Risk Committee with effect from the conclusion of the AGM, with Hannah Nichols taking up this role.

We have also kept under review our approach to diversity, particularly in light of the recommendations of the FTSE Women Leaders Review and the Parker Review. We remain committed to meeting the targets and recommendations set out in these reviews, at Board level, for senior management and throughout the organisation. Our Board diversity policy and our plans and progress in line with the recommendations of both of these reviews are explained on pages 108 and 109.

I will be available at the AGM to answer any questions you may have regarding the work of the Committee.

**NEIL CARSON**  
Chair of the Nomination Committee  
10 June 2024

### Key responsibilities

- Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board.
- Ensure plans are in place for orderly succession to Board and Management Board positions, and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the company, and the skills and expertise needed on the Board in the future.
- Review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Before any appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment and the time commitment expected.
- Ensure that, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them.
- Review the results of the Board performance evaluation process that relate to the composition of the Board and succession planning.
- Review annually the time required from Non-Executive Directors.
- The Committee shall also make recommendations to the Board concerning: changes needed to the succession planning process, if required; suitable candidates as new Directors and succession for existing Directors; membership of the Audit and Risk, Remuneration, and Sustainability Committees; the reappointment of Non-Executive Directors at the conclusion of their specified term of office; the re-election by shareholders of Directors; any matters relating to the continuation in office of any Director at any time; and the appointment of any Director to executive or other office.

### Committee composition

In line with the Committee's terms of reference, which are available on our website at: [www.oxinst.com/investors-content/advisers-and-company-secretary](http://www.oxinst.com/investors-content/advisers-and-company-secretary), the Committee comprises a majority of independent Non-Executive Directors and is chaired by the Chair of the Board, Neil Carson.

### Meetings

The Nomination Committee holds a minimum of one meeting annually, as required under its terms of reference, and this year held three meetings. Regular attendees at meetings may include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer, where appropriate. The Company Secretary is the secretary to the Committee.

### Committee performance review

During the year, an internal performance review of the effectiveness of the Committee was conducted as part of the wider review of the Board and the Board Committees.

More information can be found on pages 102 to 103. The review found that the Committee functions effectively and that matters are dealt with in a thoughtful and rigorous manner.

### How the Committee spent its time during the year ended 31 March 2024

The responsibilities of the Committee are set out in its terms of reference, which were last reviewed in January 2024 and which are summarised above. Whilst these responsibilities guide the operation of the Committee and shape its agenda, it will also consider other matters as requested by the Board and as relevant to its remit.

The key activities and areas of focus for the Committee during the year are as set out below.

- Reviewed the Board's composition and future needs, bearing in mind in particular the current tenure, skills, experience and diversity characteristics of the Directors.
- Reviewed the succession plans for Board and Management Board positions.

- Continued to consider our approach to diversity, particularly in light of the recommendations of the FTSE Women Leaders Review and the Parker Review.
- Completed the recruitment process for a new Non-Executive Director, resulting in the appointment of Hannah Nichols, effective 1 January 2024.
- Concluded the succession process regarding our change of Chief Executive Officer, with Richard Tyson succeeding Ian Barkshire in this role with effect from 1 October 2023.

### Board composition and succession planning

The Nomination Committee keeps under continuous review the composition of the Board and its Committees. We take seriously our responsibility for Board effectiveness and continuity and the need to conduct a continuous and proactive process of planning and assessment, in the context of the company's strategic priorities and the main trends and factors affecting the long-term success and future viability of the company.

Anticipating the departure of Mary Waldner as Director in line with best practice in relation to her tenure and independence, as she will have served on the Board for nine years by February 2025, the Committee acted to ensure smooth succession for the role of Audit and Risk Committee Chair, which Mary currently fulfils. As a result, we were pleased to recommend that the Board appoint Hannah Nichols as a Non-Executive Director with effect from 1 January 2024. Hannah's strong financial expertise, extensive international experience and track record of driving transformational change, both within and beyond the finance function, will complement the current range of expertise and experience on our Board and mean that she is well equipped to take up the role of Chair of the Audit and Risk Committee, which she will do with effect from the conclusion of the AGM to be held on 25 July 2024. See page 101 for further information regarding the Committee's appointment process and page 103 for details regarding Hannah Nichols' appointment and induction experience. The Nomination Committee engaged Russell Reynolds, an executive search agency, to assist with this appointment.

## NOMINATION COMMITTEE REPORT continued

The company and the Directors have no other connection with Russell Reynolds. As explained in the Report and Financial Statements 2023, further to a rigorous selection process, Richard Tyson was appointed to succeed Ian Barkshire as Chief Executive Officer. We are pleased to have concluded the formal appointment process during the year, with Richard succeeding Ian in this role with effect from 1 October 2023. The Director appointment process detailed on page 101 was followed, except that open advertising was not utilised as it was not appropriate in these circumstances. The interview process in particular, gave each of the Committee members a meaningful opportunity to carefully assess the experience and capabilities of the potential internal and external candidates. The Committee ensured that the insights gained by each of its members were carefully considered in coming to a conclusion regarding their preferred candidate. Alison Wood, our Senior Independent Director and Chair of the Remuneration Committee also serves as a Non-Executive Director of TT Electronics plc, where Richard was previously the Chief Executive. Whilst not obliged to do so, she prudently decided to recuse herself from all decision making in relation to Richard's appointment, both at Oxford Instruments plc and TT Electronics plc. The Nomination Committee engaged Korn Ferry's executive search consultancy to assist with this process. Korn Ferry also acts as an adviser to the Remuneration Committee and information regarding its fees for serving in this capacity are set out on page 122.

Upon Sir Richard Friend stepping down from the Board in July 2023, the Committee was mindful of ensuring that it retained access to his depth of technical expertise and experience. Since his departure from the Board, he has been engaged to work with the Board in an advisory capacity and this has helped to ensure that it retains the skills, knowledge and experience it needs to operate optimally. In due course, consideration may be given to seeking to appoint a further Non-Executive Director with a similar skill-set, but it is not considered appropriate at this time.

In addition to reviewing Board composition, the Nomination Committee oversees the succession plans for the Management Board. It has regular opportunities to meet with its members and other members of the wider senior leadership through their attendance at Board meetings to report on their respective business areas or functions and through workforce engagement activities.

### Board diversity

The Board is committed to promoting diversity and inclusion, both on the Board and throughout the Group. The Board recognises that diversity, construed in its broadest sense, is an important factor in Board and, indeed, operational effectiveness. The Board's diversity policy considers a range of characteristics, namely age, disability, social and educational backgrounds, as well as gender and ethnicity, and includes a commitment to sustaining an effective balance of female and ethnic representation on the Board and throughout the wider organisation.

At the end of the financial year, the Board had 50% female representation as well as ethnically diverse representation, with one of our Board colleagues being a person of colour. The composition of our Board therefore met both the recommendations of the FTSE Women Leaders Review (40% female representation by the end of 2025) and the Parker Review (at least one Director of colour by the end of 2024).

We are delighted to have surpassed the target for at least 40% of the Board to comprise women, with 50% female representation at present, given that four of the Board's eight Directors are women. We are mindful that upon the exit of Reshma Ramachandran as a Non-Executive Director on 25 July 2024, we will still surpass the target with 43% female representation, but upon Mary Waldner stepping down from the Board in February 2025, will have 33% female representation. The Committee intends to take active steps to address this during the year ahead. We are pleased to have also met the recommendation to have at least one woman in one of four specified senior roles by the end of 2025, as Alison Wood currently serves as our Senior Independent Director.

We have met the target of the Parker Review for the Board to include at least one Director of colour by the end of 2024, with Reshma Ramachandran currently serving as a Non-Executive Director, but recognise that we will need to take active steps during the year ahead to address the fact that we will no longer meet this target once Reshma steps down as a Non-Executive Director.

The Parker Review also recommends that we devise and work towards a specified target for the percentage of our senior management team to be from ethnic minorities by the end of 2027. As an international company, we recognise the importance of ensuring we have strong ethnically diverse leadership role models and a diverse decision-making team that reflects our customer base and the communities in which we operate. In 2024 we published our ethnicity pay gap data for the first time and were encouraged to report that both mean and median pay across our entire UK workforce was slightly higher for those colleagues who identify as belonging to an ethnic minority group. We have made efforts to improve the extent of ethnicity data we hold and are pleased to now have data in respect of 90% of our UK workforce and 78% of our global workforce. This year we have taken steps to broaden the ethnic diversity of our wider senior leadership team which, as of the date of the Annual Report, comprises 14 persons, of whom 14% are Asian. There are 102 direct reports of this team, of whom 22% identify as belonging to an ethnic minority group. In that context, we will be seeking to maintain and improve the ethnic diversity of this cohort (ie, our wider senior leadership team and their direct reports) on a year-on-year basis, within a target range of 20% to 25%.

Any future appointments to the Board will continue to be based on merit and objective criteria to ensure that the best individuals are considered and appointed to the role. Wherever possible, the search pool will be extensive and where an executive search consultancy is used, we will only engage with those firms that have adopted the Voluntary Code of Conduct for Executive Search Firms.

For details of our approach to diversity within the wider organisation, please see our Sustainability Report on pages 34 to 57.

### Diversity of individuals on the Oxford Instruments plc Board and executive management

In accordance with the UK Financial Conduct Authority's Listing Rule 9.8.6 R (9) the Board confirms that as of 31 March 2024, Oxford Instruments plc:

- had surpassed the target for at least 40% of the Board to comprise women, with 50% female representation given that four of the Board's eight Directors are women;
- had met the remaining targets set out in that rule with (i) Alison Wood holding the role of Senior Independent Director and a woman therefore holding one of the specified senior positions on the Board (Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer); and (ii) Reshma Ramachandran being of an Asian background, meaning that the Board included at least one Director from a minority ethnic background; and

- with the upcoming exit of Reshma Ramachandran as a Non-Executive Director on 25 July 2024, we will still surpass the target for at least 40% of the Board to comprise women, with 43% female representation, but will no longer meet the target for the Board to include at least one Director from a minority ethnic background. However, upon Mary Waldner stepping down from the Board in February 2025, the Board will comprise six Directors: four men and two women, resulting in 33% female representation. The Committee intends to take active steps to address this during the year ahead.

In accordance with Listing Rule 9.8.6 R (10) the below tables provide data as of 31 March 2024 regarding the gender identity or sex and the ethnic background of both the Oxford Instruments plc Board and the executive management team, its Management Board.

Our approach to collecting this data was two-fold. For our Directors, we asked that they complete a questionnaire regarding their skills, experience and diversity characteristics, including their gender identity or sex and their ethnic background. For our Management Board, we collated this data from our employee records, which they have provided on a voluntary basis understanding that it may be used for disclosure purposes, as well as to help to ensure that our processes and pay are fair and equitable with respect to race and ethnicity, as well as the characteristics on which we have had full data for several years.

### Gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	50%	3	9	90%
Women	4	50%	1	1	10%
Not specified/prefer not to say	-	-	-	-	-

### Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	7	87.5%	4	8	80%
Mixed/Multiple ethnic groups	-	-	-	-	-
Asian/Asian British	1	12.5%	-	2	20%
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-



## AUDIT AND RISK COMMITTEE REPORT



**MARY WALDNER**  
Chair of the Audit  
and Risk Committee

### Committee membership

#### The current members of the Committee are:

Mary Waldner (Chair), Alison Wood, Nigel Sheinwald, Reshma Ramachandran and Hannah Nichols.

#### Changes to Committee membership:

Richard Friend stepped down as a member of the Committee upon his stepping down from the Board on 28 July 2023 and Hannah Nichols joined as member of the Committee upon her appointment to the Board on 1 January 2024. Hannah will take up the role of Chair of the Audit and Risk Committee with effect from the conclusion of the AGM to be held on 25 July 2024, succeeding Mary Waldner in this role.

- For details of attendance at Committee meetings during the financial year, see page 98.
- For the biographies of all Committee members, see pages 86 to 88.

### Dear Shareholder,

I am pleased to present the Report of the Audit and Risk Committee for the year ended 31 March 2024. We have continued to play an integral role as part of the Group's governance framework, monitoring the integrity of the financial statements of the company and providing oversight and challenge across the financial reporting processes and internal control environment.

During the year, the Committee's work focused particularly on the Group's approach to several key areas of governance whilst continuing to deliver its core remit. Specific areas of focus included:

- delivery of the internal audit plan across a broad range of key risk areas;
- considering the procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives;
- monitoring the processes for identifying, evaluating and reporting on climate-related risks and opportunities across the Group and their integration into the wider enterprise risk management processes. This includes the detailed assessment of key risks using a standardised methodology, as performed by the business units across the Group;
- working with BDO LLP in respect of the delay to the completion of the annual audit in respect of the year ended 31 March 2023 due to their requesting additional time to finalise their audit quality control procedures, to ensure a smooth conclusion to this process; and
- the review of papers and supporting calculations and data relating to the significant Audit and Risk Committee judgements and estimates during the financial year ended 31 March 2024.

I will be stepping down as Chair of the Committee with effect from the conclusion of the AGM on 25 July 2024 and am delighted that I will be succeeded in this role by Hannah Nichols. Hannah joined the Board as a Non-Executive Director and member of the Committee on 1 January 2024. As an experienced financial professional, a qualified chartered accountant and the current Chief Financial Officer of Hill & Smith PLC, she is excellently suited to undertake this role. I will remain as a Non-Executive Director on the Board until February 2025.

The Committee has noted the publication of the revised UK Corporate Governance Code in January 2024 and its work in the year ahead will include planning to adopt the changes it considers necessary to comply with the revised Code. During the year ahead the Committee will continue to retain a focus on assessing the level of assurance provided over key financial controls whilst also addressing a range of risk-based audit areas.

Should you have any questions or comments regarding the work of the Committee during the year, I would be pleased to hear from you.

**MARY WALDNER**  
Chair of the Audit  
and Risk Committee

10 June 2024

### Key responsibilities

- Monitor the integrity of the Financial Statements of the company and Group and review and report to the Board on significant financial reporting issues and judgements.
- Review statements relating to financial performance and narrative reporting, including any climate-related financial disclosures.
- Review the company's internal control and risk management systems.
- Review the arrangements relating to compliance, speaking up and fraud.
- Monitor and review the effectiveness of the company's internal audit function.
- Advise the Board on the appointment, reappointment and removal of the external auditor, agree their terms of engagement and monitor their independence and objectivity.
- Review the effectiveness of the external audit process.
- Develop and implement the policy on the engagement of the external auditor to supply non-audit services.

### Committee composition

In line with the requirements of the UK Corporate Governance Code and the Committee's terms of reference, which are available on our website at: [www.oxinst.com/investors-content/advisers-and-company-secretary](http://www.oxinst.com/investors-content/advisers-and-company-secretary), the Committee comprises independent Non-Executive Directors and, as a whole, has competence relevant to the sector in which the company operates. All members of the Committee are considered to be independent. Mary Waldner, the Committee Chair, has specific, recent and relevant financial experience as the Chief Financial Officer of Lloyd's Register, is a Fellow of the Chartered Institute of Management Accountants and has also held a number of senior executive financial roles with major public companies. She will step down from the role of Chair of the Audit and Risk Committee with effect from the conclusion of the AGM to be held on 25 July 2024 and will be succeeded by Hannah Nichols, as noted opposite.

### Meetings

The Audit and Risk Committee holds a minimum of three meetings annually, as required under its terms of reference, and this year held four scheduled meetings and four ad hoc meetings. See page 99 for a summary of the key matters considered at each meeting during the year. Regular attendees at meetings include the Chief Executive Officer, Chief Financial Officer, Group Financial Controller, Head of Risk, Assurance and Trade Compliance, and BDO LLP, our external auditor. Other attendees who attend as required include the Chair and members of senior management. The Company Secretary is the secretary to the Committee.

### Committee performance review

During the year, an internal performance review of the effectiveness of the Committee was conducted as part of the wider review of the Board and the Board Committees. More information can be found on pages 102 to 103. The review found that the Committee functions effectively and that matters are dealt with in a rigorous manner.

### How the Committee spent its time during the year ended 31 March 2024

#### Structured programme of activities

The responsibilities of the Committee are set out in its terms of reference, which were last reviewed in January 2024.

The Committee sets a structured programme of activities for the year, developed from its terms of reference and including standing items for its consideration at certain meetings. In addition, it considers specific risk areas identified for detailed review in light of the evolving risk environment, assurance activities relating to key non-financial areas and any other matters that arise during the year.

### Financial Statements and reporting

During the year, the Committee continued to monitor the financial reporting process of the Group. As part of the year-end reporting process the Committee reviewed in detail this Annual Report in respect of the year ended 31 March 2024 and concluded that, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy. The Board recognises the important role which the Committee plays in making such assessments.

## AUDIT AND RISK COMMITTEE REPORT continued

The main areas considered at Committee meetings during the year are set out below.

Matters considered	June 2023	June 2023 <sup>1</sup>	July 2023 <sup>1</sup>	July 2023 <sup>1</sup>	Sept 2023	Nov 2023	Jan 2024	Mar 2024 <sup>1</sup>
Half-year and full-year Financial Statements including appropriateness of accounting policies, representation letters, associated narrative reporting (Annual Report and Financial Statements) and market announcements	●	●	●	●		●		
External auditor Year-end Audit Report and Interim Review Report	●					●		
Significant accounting estimates and judgements	●					●		
Going concern	●					●		
Viability statement	●							
Group risk register, including climate-related risks and opportunities	●				●	●	●	
Principal risks and uncertainties	●					●		
Adequacy of internal control environment including internal control framework and risk management processes	●							
Internal audit update (specific theme addressed at each meeting, per the internal audit plan for the financial year)	●				●	●	●	
Internal audit plan							●	
Effectiveness of internal audit function							●	
External auditor strategy for year-end audit								●
External auditor terms of engagement								●
External auditor independence and objectivity	●					●		●
Effectiveness of external audit process					●			
Policy on non-audit services carried out by external auditor	●							
Litigation register	●					●		
Systems and controls for detecting fraud and the prevention of bribery and corruption	●							
Whistleblowing arrangements							●	
Committee effectiveness review	●							
Committee terms of reference							●	
Committee members and external auditor closed meeting	●				●	●		●

1. Meetings scheduled on an ad hoc basis rather than as part of formal annual meetings calendar.

### Significant Audit and Risk Committee judgements and estimates during the financial year ended 31 March 2024

The Committee considered reports from management on accounting policies, current accounting issues and the key judgements and estimates in relation to this Annual Report. It assessed whether suitable accounting policies had been adopted and the reasonableness of the judgements and estimates made by management. The following sections summarise the significant judgements and estimates considered by the Committee in relation to the Financial Statements for the year ended 31 March 2024 and how they were addressed.

#### Revenue recognition

Revenue is recognised in accordance with IFRS 15. Revenue from Contracts with Customers, using principles-based criteria such that the timing depends on performance of the relevant conditions in the customer contract. Prescriptive rules are applied to revenue recognition that are appropriate to both products and services. Through the application of IFRS 15's principles, revenue recognition is less subjective than prior to its implementation. However, due to the potential impact of any significant timing error in revenue recognition, revenue cut-off remains an area of audit focus. The Committee has received no reports of any significant error in revenue recognition.

#### UK defined benefit pension scheme

IAS 19 requires the Group to recognise any difference between the net present value of the defined benefit pension scheme's liabilities and the fair value of its assets as at 31 March 2024 in the balance sheet as either a pension scheme asset or deficit. The Group is also required to appoint an external actuary to value its obligations to members of the defined benefit pension scheme at each reporting date. Further, the actuary must recommend suitable assumptions as the basis for the valuation. The Group has appointed the pension scheme's actuary, Aon Hewitt, to perform bi-annual valuations on its behalf for accounting purposes.

For the year ended 31 March 2024, Aon Hewitt recommended assumptions on a basis that is largely consistent with those adopted for the prior year end.

The discount rate remained at 4.8%, which represents a slight decrease from the rate of 5.5% that was used in respect of the half-year ended 30 September 2023. Further, inflation assumptions decreased by 20bps for RPI and 10bps for CPI compared to the prior year. Actual membership experience continues to be based on the results of the latest triennial valuation which was completed as at 31 March 2021.

The net present value of the scheme's liabilities decreased by £1.5m during the year, with the largest decrease of £11.0m relating to benefits paid, while the largest increase in liabilities related to the notional interest charge of £10.5m, as the obligations are recorded at the discounted net present value. The scheme's investment manager, Schroders Solutions, provided a valuation of the scheme assets in line with current market practice relating to the valuation of investment assets, the methodology for which has not changed since the prior year.

As disclosed in Note 24 to the Financial Statements, the actuarial surplus for the UK scheme has decreased from £26.4m in the prior year to £16.1m at 31 March 2024. This arises from the aggregate impact of a small decrease in scheme liabilities of £1.5m and a decrease in the scheme's assets of £11.8m.

The decrease in scheme assets arises primarily from negative investment returns on gilts due to changes in interest rates, offset by company interest received of £12.0m, contributions of £8.5m, less benefits paid of £11.0m and administrative costs of £0.5m. As set out in Note 24, it is the scheme's actuarial valuation review, rather than the accounting basis that determines the level of cash payments.

#### First Light Imaging acquisition

The Group completed the acquisition of First Light Imaging SAS ('First Light') on 9 January 2024 for cash consideration of €14m with an additional €3m contingent on the business meeting certain performance targets during the first 12 months of Group ownership.

The performance targets for the earn-out were intended to be stretching, but achievable. We cannot yet confirm whether those targets will be achieved but it is considered likely that the full value of the contingent consideration will be payable.

Therefore, for the purposes of the Financial Statements, the purchase price is assessed at the full amount of €17m – albeit the fair value of this is €16.5m due to the timing of the contingent consideration.

KPMG LLP were appointed to value First Light to help determine the allocation of the purchase price to First Light's assets. This identified a number of adjustments to be made at the acquisition date to reflect the fair value of the assets and liabilities acquired. In particular this includes a proposed fair value adjustment of €13.5m to intangible assets to account for the technology and brand purchased.

Per IFRS 3, the Group has a year from the date of the acquisition to finalise the purchase price allocation (PPA), and it is acknowledged and accepted by the standard that for acquisitions close to the reporting date it will be necessary to estimate certain values, though it is necessary to indicate which numbers have been estimated. If in the following 12 months it becomes necessary to amend any of those estimates, this should be performed and disclosed appropriately.

The final draft PPA report from KPMG was received too close to the signing date to allow sufficient review by management and audit by BDO LLP. As a result, the acquisition adjustments and closing fair values have been disclosed in the accounts as provisional. These will be finalised in due course and any adjustment posted in the Financial Statements as at 30 September 2024.

#### FemtoTools acquisition

The Group has recently negotiated the purchase of FemtoTools AG, a strategic acquisition to complement the existing Materials Analysis portfolio. The company signed the share-purchase agreement on 7 June 2024 for an initial purchase price of CHF 17m with an aggregate earn-out of CHF 5.5m.

It is expected that the acquisition will close in late June 2024. At the balance sheet date, the acquisition has not been accounted for as no purchase had been agreed. Given that the sale and purchase agreement was signed after the balance sheet date and prior to signing the Annual Report, the acquisition has been disclosed as a post-balance sheet event.



## AUDIT AND RISK COMMITTEE REPORT continued

### Provisions for intellectual property claims

The Group faces potential exposure to third-party claims in relation to alleged intellectual property infringement. The Committee obtains management reports and analysis on potential claims twice a year. The Committee has reviewed the information and explanations provided by management relating to the provisions for intellectual property claims that have been recognised in the Financial Statements. This also covers claims for which no provision has been recognised. The external auditor has also reported on intellectual property provisions. As at 31 March 2024, the value of the provisions recognised in the Financial Statements for such claims is £0.6m (2023: £0.6m). Whilst not significant or material, it remains a matter of accounting judgement.

The Committee has reviewed the methodology and calculations used in quantifying the provisions required and concluded that it is reasonable and consistent with the basis used in the prior year. The Committee recognises that the final outcome in any specific case is likely to vary from the amount provided. When considered in aggregate, the Committee considers that no adjustment to the provisions is required.

### Provision for inventory

Provision is made for obsolete, slow moving and defective stock where there is evidence of impairment, to reduce the carrying value to its net realisable value. This requires consideration of several factors including but not limited to recent usage, expected future demand, new product introduction plans and likely realisable values to estimate the excess quantities and net realisable value. The level of provisioning requires certain estimates regarding future demand and possible design changes to identify excess quantities. The Committee is satisfied that the amounts provided represent in aggregate the Group's best estimate of the levels of provisioning required.

### Adjusted profit and EPS

The Group applies adjustments to the statutory definition of profit and EPS to present adjusted profitability and earnings, as we consider that they present a clearer picture of the financial performance of the Group. These adjustments are set out at Note 2 to the Financial Statements.

For the year ended 31 March 2024, the aggregate sum of the adjustments to operating profit was £12.0m. The largest item in value terms was the amortisation charge relating to capitalised intangible assets of £9.1m (2023: £9.3m). The Group recognised a loss of £0.7m (2023: gain of £3.0m) arising from the mark-to-market impact of currency hedging contracts. Settlement of a claim brought by the Group for intellectual property infringement generated a gain of £3.3m (2023: nil). The Group also incurred CEO dual running costs of £2.0m (2023: nil) and one-off costs of £1.7m relating to Plasma Technology's move to a new site at Severn Beach (2023: £0.4m) and transaction-related costs were £1.0m (2023: nil). Other adjusting charges included in the year ended 31 March 2024 included charges relating to the defined benefit scheme of £0.4m (2023: nil) and litigation costs linked to intellectual property claims of £0.4m (2023: £0.5m).

The Committee has reviewed the nature of the adjustments and the methodologies used to calculate them. Based on these enquiries and explanations provided, the Committee concluded that adjustments have been applied consistently. Further, the Committee is satisfied with the presentation of these adjusting items in the 2024 Financial Statements.

### Misstatements

Group management has provided the Committee with reports that they were not aware of any material or immaterial misstatements that had been made with the intent of achieving a particular presentation in the Financial Statements. The Committee also reviewed BDO's report on unadjusted audit differences and these were discussed by the Committee in June 2024. On the basis of its review and those discussions, the Committee concluded that the unadjusted differences were not material to the Financial Statements and therefore no adjustment was required. The Committee also concluded that the external auditor had fulfilled its duties with diligence and with an appropriate level of professional scepticism.

### Viability and Going Concern Assessment and Statements

The Committee and the Board reviewed the Viability and Going Concern Statements as presented in more detail on pages 79 to 81.

The Committee reviewed the Viability Assessment, which was based upon consideration of the Group's current financial position and the potential impact of certain of its principal risks and uncertainties on future performance. It performed a review of the scenario analyses prepared by management in the Viability Assessment and concluded that the Group would be able to continue in operation and meet its liabilities as they fall due over the next three years.

In addition, the Committee noted that there were no material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern over the period of at least 12 months from the date of approval of the Financial Statements and concluded that it was appropriate to continue to adopt the going concern basis of accounting.

### Whistleblowing

Employees can report concerns of non-compliance, ethical issues or malpractice via an independent and confidential reporting route. Reports can be made anonymously if required and are covered by the Group's Whistleblowing Policy which provides for protected disclosure. The Group recognises the importance of other reporting channels such as via line management and HR. A reporting route to the Senior Independent Director is also available. Employees are informed of the reporting channels through the Code of Business Conduct and Ethics. Irrespective of the reporting channel used, the Group operates a formal protocol for the independent investigation of reports which is overseen by the Chief HR Officer and Group Compliance.

The Committee performs an annual review of the Whistleblowing Policy and receives a summary report into the outcome of investigations during the year.

It also receives a report from management on its activities in this area. The latest report and review took place in January 2024 and all matters raised in the year-to-date had been resolved. The Committee was pleased to note that during the year, management had completed a campaign to ensure employee awareness of the whistleblowing channels available to them, including guidance and an online training course.

### Internal control

The Committee oversees the internal control framework on behalf of the Board. In June each year, it undertakes an annual review of the effectiveness of the internal control environment, comprising the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems. To support this review, the Committee liaised with the Head of Risk, Assurance and Trade Compliance and considered the internal and external audit reports presented. In respect of the financial year ended 31 March 2024 and up to the date of the approval of this Annual Report, the Committee concluded that the required standards had been met and noted that during the financial year, it had received no reports in the year about concerns of possible improprieties in matters of financial reporting.

### Risk management

The key risk management activities performed by the Group are described on pages 70 to 78.

The Committee reviews the Group risk register, which now includes climate change-related risks and opportunities, at each meeting and uses these, supplemented by reports from management, the external auditor and other subject matter experts, to assess the approach taken to identify and mitigate the risks faced by the Group.

The Committee will continue to carefully review risk reporting and the associated risk management activities during the year ahead, in particular aiming to develop and enhance its approach to the consideration of climate-related risks and opportunities as well as the broader landscape of emerging risks.

For more information regarding our approach to risk management see pages 70 to 78.

### Internal audit function

The internal audit function is led by the Head of Risk, Assurance and Trade Compliance, who is a regular attendee at Committee meetings. Its purpose is to provide assurance regarding the effectiveness of internal controls through regular reviews and the provision of reports to the Committee.

Once finalised, all internal reports are also shared with the external auditor. The Head of Risk, Assurance and Trade Compliance has direct access to the Chair of the Board and the Chair of the Committee, to help safeguard independence from the executive and accountability to the Committee.

During the year, the internal audit function was strengthened through the implementation of a co-sourcing relationship, whereby an external service provider has been engaged to supplement certain of the work on internal audits focused on financial controls, with the delivery of the first two engagements from this relationship scheduled for later in the year. They will also provide support in other areas where specific subject matter expertise is required or advantageous.

### Internal audit plan

The annual internal audit plan was presented to the Committee at its meeting in January 2024. It comprises audits which assess the effectiveness of internal financial controls, to be performed on a rotational basis across operational business units and the principal regional offices. Complementing this, the programme also includes risk-based audit areas which are proposed or recommended by a combination of the Committee and management. Following due consideration, the Committee approved the proposed annual internal audit plan.

### Effectiveness review

The Committee has a responsibility to carry out an annual assessment of the effectiveness of the internal audit function. As part of its assessment in respect of the financial year ended 31 March 2024, the Committee liaised with the Head of Risk, Assurance and Trade Compliance, reviewed and assessed the annual internal audit plan, reviewed the results of the internal auditor's work, considered whether the quality, experience and expertise of internal audit remains appropriate for the business and reviewed the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function.

The Chair also held a one-to-one meeting with the Head of Risk, Assurance and Trade Compliance in January 2024 to discuss key risk areas in advance of the new financial year.

Following due consideration, the Committee agreed that the internal audit function had remained effective.

### External auditor

The Committee has principal responsibility for managing the relationship with the external auditor, including assessing its performance, effectiveness and independence and making recommendations to the Board regarding its reappointment, removal and terms of engagement, including all fees.

BDO LLP ('BDO') was reappointed as external auditor at the 2023 Annual General Meeting, having been initially selected to undertake this role with effect from the financial year ended 31 March 2021 following a competitive tender process. In line with the current requirement to complete a tender for audit services every ten years, the Committee intends to conduct a tender process ahead of the financial year ended 2031. This remains subject to the outcome of the Committee's annual assessment of the performance, effectiveness and independence of the incumbent external auditor. The Committee regularly meets with the external auditor, both with and without the Executive Directors or members of the management team present, to discuss any appropriate matters in a frank and open manner.

### Audit strategy

BDO presented its proposed audit strategy and plan for the financial year ended 31 March 2024 to the Committee. The suggested strategy had been informed through feedback from various stakeholders including the Committee Chair, Chief Financial Officer and Group Financial Controller. The proposal included details of the recommended scope, materiality, fees and timelines plus the principal areas of audit risk and the anticipated approach for addressing such. Following due consideration, the Committee approved BDO's proposed audit strategy and plan.

## AUDIT AND RISK COMMITTEE REPORT continued

### Effectiveness review

The Committee has a responsibility to review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

As part of its assessment in respect of the financial year ended 31 March 2023, the Committee considered reports from BDO and feedback from key members of the finance teams across the Group. The assessment noted that BDO had demonstrated strong investigative, analytical and judgemental competence in addition to providing a good degree of challenge to management. BDO's increasing familiarity with the Group and individual business units had supported the delivery of the audit at a component level. It was recognised that there had been a delay to the completion of the annual audit as a result of BDO requesting additional time to finalise its audit quality control procedures, and that this had caused the company's 2023 AGM to be delayed to 19 September 2023 and the payment of the final dividend to be delayed to 12 October 2023. The Committee noted that the audit client service received in this context, particularly regarding communication, was not considered sufficient. Subsequent discussions with BDO had provided confidence that the same issues would not be encountered during the audit in respect of the financial year ended 31 March 2024. Following due consideration the Committee agreed that the audit, particularly its quality, had been effective. The Committee also noted the FRC's Audit Quality Inspection and Supervision report relating to BDO as published in July 2023, and confirmed that it would continue to work with BDO to ensure that the audit quality received by the company remained appropriate.

In line with the Committee's structured programme of activities, an assessment of the effectiveness of the audit for the financial year ended 31 March 2024 is expected to be carried out in September 2024.

### Independence and objectivity

The Committee should assess on an annual basis the external auditor's independence and objectivity taking into account relevant law, regulation, the Ethical Standard and other professional requirements and the Group's relationship with the auditor as a whole, including any threats to the auditor's independence and the safeguards applied to mitigate those threats including the provision of any non-audit services.

To make this assessment, the Committee obtains confirmation from the external auditor regarding whether it considers itself to remain independent and also satisfies itself that there are no relationships between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity. During the financial year, the Committee made this assessment in both June 2023 and January 2024, in addition to again assessing in June 2024. In January 2024 and June 2024, the Committee was comfortable that BDO remained independent and objective. As explained in the Report and Financial Statements 2023, in June 2023 the Committee noted that BDO had identified a breach of the FRC's Ethical Standard, through the provision of services by BDO, Singapore to Oxford Instruments Private Limited in 2021 and 2022.

### Audit and non-audit fees for the financial year ended 31 March 2024

	Fees	Proportion
Audit fees	£1,102k	95%
Audit-related assurance services	£50k	4.31%
Non-audit services	£8k	0.69%
Total fees payable to the auditor and its associates	£1,160k	100%

See Note 5 of the Financial Statements for further information regarding the external auditor's remuneration.

### Statement of Compliance with the Competition and Markets Authority (CMA) Order

The company confirms that it has complied with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014 (Article 7.1), including with respect to the Audit and Risk Committee's responsibilities for agreeing the audit scope and fees and authorising non-audit services.

### Reappointment of external auditor

BDO LLP has expressed its willingness to continue as auditor of Oxford Instruments plc and separate resolutions will be brought to the Oxford Instruments plc 2024 AGM, proposing BDO LLP's reappointment as auditor and to authorise the Board, through the Committee, to negotiate and agree its remuneration.

Upon identifying this breach, the provision of such services was immediately terminated. BDO completed an investigation to understand the circumstances of the breach, with the outcome of this exercise being that it has enhanced the applicable processes and procedures to prevent future breaches of this nature occurring. In this context and noting the financially immaterial nature of the breach, with the prohibited services incurring under £1,000 in fees, the Committee remained comfortable that BDO remained independent and objective.

### Non-audit services

The Committee oversees the company's formal policy regarding the provision of non-audit services by the auditor, including prior approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited Financial Statements. During the financial year, the Committee approved the provision of non-audit services by BDO amounting to £8k which, when considered in light of the audit fees amounting to £1,102k, represented a non-audit fee to audit fee ratio of 1:144 or 0.68% of the total fees payable to the auditor and its associates. A further illustration of this comparison can be seen in the following table.

## SUSTAINABILITY COMMITTEE REPORT



**NIGEL SHEINWALD**

Chair of the  
Sustainability Committee

### Committee membership

#### The current members of the Committee are:

Nigel Sheinwald (Chair), Neil Carson, Alison Wood, Mary Waldner, Reshma Ramachandran and Hannah Nichols.

#### Changes to Committee membership:

Richard Friend stepped down as a member of the Committee upon his resignation from the Board on 28 July 2023 and Hannah Nichols joined as member of the Committee upon her appointment to the Board on 1 January 2024.

- For details of attendance at Committee meetings during the financial year, see page 98.
- For the biographies of all Committee members, see pages 86 to 88.

### Dear Shareholder,

I am pleased to present the report of the Sustainability Committee for the year ended 31 March 2024.

The Committee has continued to discharge its wide-ranging remit covering the company's policies and performance in the environmental, social and governance areas.

We have monitored progress towards achieving our net zero targets and have welcomed the strengthening and re-baselining of our data across Scopes 1, 2 and 3, enabling a more robust foundation from which to address our ambitious targets. Based on this work, the Board has moved to accelerate our Scope 1 and 2 targets for 2030 (that is, all those areas which are under our direct control). Having previously set targets of a 50% and 70% reduction respectively, we are now setting the target to reach net zero in Scopes 1 and 2 by 2030.

Our focus will now shift to refining the detail of our roadmap to net zero, developing interim targets for our Scope 3 emissions (which constitute the largest element of our total), and assessing the progress made towards our goals. For more detail, read our Sustainability Report on pages 34 to 57.

The Committee welcomed the structure developed by management to deliver against the sustainability agenda across the company, under the direction of the Sustainability Leadership Forum which reports to the Sustainability Committee.

We spent time considering the social and governance elements of the company's sustainability agenda. The Committee considered in particular the company's developing approach and internal targets and measures relating to equity, diversity and inclusion. We were pleased to emphasise our support for the initiatives being undertaken to drive change within the Group, such as the development and launch of our equity, diversity and inclusion policy; the publication of our first ethnicity pay gap reporting in the UK, and the launch of new employee impact groups focused on neurodiversity and women's issues.

Oxford Instruments remains committed to being the company where the best people in our sector want to work, to developing the next generation of the workforce, and to training our people and enabling their career development and employability. We therefore welcomed the ongoing activity across this area, including the expansion of both the number of participants and the range of opportunities offered in our apprenticeship and graduate programmes; the careers pathway guidance available; the range of training provided to managers; and the piloting of a new Foundations programme for emerging talent. For more information, see page 55.

We were also very pleased to note that MSCI, a leading provider of critical decision support tools and services for the global investment community, has rated our ESG practices as AA, its second highest rating – citing in particular that we lead amongst our global peers in corporate governance practices.

The Committee continued to support the priority given by management to further improving our health and safety performance.

Recognising the importance of utilising remuneration structures to promote and drive the behaviours and positive impacts we desire for the Group, we supported the Remuneration Committee in devising appropriate sustainability-related performance measures. These will be implemented for the awards made to Executive Directors during FY24/25. For further information, see the Directors' Remuneration Report on pages 120 to 143.

As part of the Board's formal programme of employee engagement activity, I was pleased to co-host a session with a group of employees as part of the full-Board site visit to our new compound semiconductor technology site at Severn Beach near Bristol. The attendees, who spanned a broad range of roles in the company, confirmed the strong appetite among employees for progressing our sustainability agenda across a range of initiatives which matter to them, from fostering a supportive and inclusive culture to addressing the design and packaging of our products.



## SUSTAINABILITY COMMITTEE REPORT continued

Participants welcomed the support in place for maternity cover and flexible working, while from an environmental perspective, there was a constructive discussion about opportunities to use more reusable materials.

The Committee noted the appointment of a new external adviser on sustainability matters and looks forward to working with them in the year ahead.

We are pleased to have published our integrated Sustainability Report, which is available on pages 34 to 57 and includes our Task Force on Climate-related Financial Disclosures Statement, as set out on pages 40 to 50. The standalone version of the Sustainability Report will be published on our website at: [www.oxinst.com/sustainability](http://www.oxinst.com/sustainability). We are committed to building on past progress and continuing to challenge ourselves to go further.

I will be available at the AGM to answer any questions you may have regarding the work of the Committee. Should you have any queries in the meantime, I would be very happy to hear from you.

### NIGEL SHEINWALD

Chair of the Sustainability Committee

10 June 2024

### Key responsibilities

The current key responsibilities of the Committee per its terms of reference, are as follows:

- Review all sustainability-related narrative reporting and external disclosures, including, but not limited to, those relating to the Greenhouse Gas Protocol, Streamlined Energy and Carbon Reporting Regulations, Sustainable Development Goals and the Task Force on Climate-related Financial Disclosures.
- Determine the guiding principles to be used when setting targets in relation to the Group's sustainability goals and implementation plans.
- Regularly review and provide advice on the Group's ongoing activities and progress in relation to the three key elements of its sustainability agenda, broadly comprising environmental, social and governance-related matters, as follows:
  - Environmental: review with management and recommend to the Board for approval, sustainability-related targets, including environmental targets and timescales; review the company's progress towards decarbonisation of energy use globally; and consider and recommend to the Board for approval, the methodology to be used for achieving net zero.
  - Social: review any relevant externally published policies and statements and approve targets set in respect of the following areas: equity, diversity, inclusion and belonging; health, safety and wellbeing; investing in our people; next-generation talent; and community impact.
  - Governance: review any relevant corporate policies and approve targets set, in respect of the following areas: anti-bribery and anti-corruption; sanctions, export control and customs; dissemination of inside information to the market and share dealing; supply chain responsible sourcing; human rights and modern slavery; intellectual property and confidentiality; data protection, data privacy and data security; and financial sustainability and tax transparency.
- Through policy reviews and discussions with management, seek to ensure that the highest ethical standards and concern for human rights are embedded in the company across its global operations.

### Committee composition

In line with its terms of reference, which are available on our website at: [www.oxinst.com/investors-content/advisers-and-company-secretary](http://www.oxinst.com/investors-content/advisers-and-company-secretary), the Committee comprises a majority of independent Non-Executive Directors. Nigel Sheinwald, the Committee Chair, brings a wealth of skills and experience, particularly from his time as Chair of Shell plc's equivalent Sustainability Committee.

### Meetings

The Sustainability Committee holds a minimum of three meetings annually, as required under its terms of reference, and this year held five meetings. Standing attendees at meetings include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer. Other members of senior management may also attend as required. The Company Secretary is the secretary to the Committee.

### Committee performance review

During the year, an internal performance review of the effectiveness of the Committee was conducted as part of the wider review of the Board and the Board Committees. More information can be found on pages 102 to 103. The review found that the Committee functions effectively and that matters are dealt with in a thoughtful and rigorous manner.

### How the Committee spent its time during the year ended 31 March 2024

The responsibilities of the Committee are set out in its terms of reference, which were last reviewed in January 2024 and which are summarised on page 118. Whilst these responsibilities guide the operation of the Committee and shape its agenda, it will also consider other matters as requested by the Board and as relevant to its remit.

The key activities and areas of focus for the Committee during the year are as set out below.

- Kept up to date with the activities ongoing to achieve the company's net zero targets.
  - Supported the Remuneration Committee to develop appropriate sustainability-related performance measures to be implemented for the awards made to Executive Directors during FY23/24 and FY24/25.
  - Received updates from the Chief Executive Officer and management regarding climate-change related matters.
  - Received an insightful presentation from the sustainability lead at a comparable, adjacent company regarding its sustainability agenda, including progress to date and the company's future priorities.
  - Via papers and attendance of selected members at Committee meetings, maintained oversight of the activities of the internal Sustainability Leadership Forum, which leads on delivery of the company's sustainability agenda on a day-to-day basis within the organisation.
  - Considered the annual review of social matters forming part of the company's sustainability agenda. Noted the maturing approach and internal targets and measures relating to equity, diversity and inclusion, amongst other things. Emphasised its support for the ongoing social initiatives being undertaken and developed to drive change and enhance the culture within the Group.
  - Noted the annual review of progress in line with the company's sustainability governance agenda, remaining mindful of developments to either the internal approach or the external landscape impacting the key aspects of this pillar of the sustainability agenda.
- Considered and endorsed updates to the company's environmental policy.
  - Agreed that suitable external attendees should continue to be invited to present on relevant topics at future meetings, to help ensure that the Committee keeps up to date with the wider sustainability landscape so that its work and decisions can be delivered on an informed basis.
  - Post year end, reviewed and recommended to the Board for approval, the sustainability-related narrative reporting and external disclosures, including our integrated Sustainability Report, which is available on pages 34 to 57 and includes our Task Force on Climate-related Financial Disclosures Statement, as set out on pages 40 to 50 and our standalone Sustainability Report which will be published on our website at: [www.oxinst.com/sustainability](http://www.oxinst.com/sustainability).

## REMUNERATION COMMITTEE REPORT



ALISON WOOD

Chair of the Remuneration Committee

### Committee membership

#### The current members of the Committee are:

Alison Wood (Chair), Neil Carson, Mary Waldner, Nigel Sheinwald, Reshma Ramachandran and Hannah Nichols.

#### Changes to Committee membership:

Richard Friend stepped down as a member of the Committee upon his stepping down from the Board on 28 July 2023 and Hannah Nichols joined as member of the Committee upon her appointment to the Board on 1 January 2024.

- For details of attendance at Committee meetings during the financial year, see page 98.
- For the biographies of all Committee members, see pages 86 to 88.

### Letter from the Chair of the Remuneration Committee

#### Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 March 2024. The report is presented in three sections:

- My annual statement as Chair, summarising the work of the Committee during the year.
- The Directors' Remuneration Policy ('Policy'), which was approved at the 2023 AGM.
- The Annual Report on Remuneration, detailing the remuneration outcomes for the year ended 31 March 2024 and the implementation of the Policy for the year ahead.

#### Wider employee remuneration

In what has continued to be a busy year on executive remuneration matters, the Committee has been keen to ensure that our wider workforce has continued to receive careful consideration in the wider market and economic contexts. We were pleased to note that base salaries for UK employees would increase 3.8% on average this year, and that the company pays above minimum wage across the world and above the living wage in the UK. We also aim to provide benefits which are above the statutory minimums, where appropriate.

The structure of bonus plans throughout the organisation is aligned to incentivise the behaviours which deliver value, both financial and non-financial, to shareholders and our key stakeholders.

More generally, to ensure that our workforce is appropriately balanced in relation to gender, ethnicity, neurodiversity, disability and other factors, there are processes in place to address unconscious diversity and inclusion biases during recruitment, including the use of balanced shortlists, and in decisions about career progression and remuneration.

In May 2024 I was delighted to host a session with a number of colleagues from HR roles across the Group, focusing on the alignment of executive remuneration with our wider remuneration structures.

#### Operation of the Remuneration Policy in 2023/24

Performance for the year ended 31 March 2024 was good, with the company's business model and strategy continuing to drive robust revenue growth, positive book-to-bill and a healthy orders pipeline, and good progress made against strategic initiatives.

The outcome for the 2023/2024 annual bonus scheme was calculated based on a combination of profit before tax, cash conversion, operating profit margin and non-financial strategic targets.

The profit element achieved full payout, but operating profit margin and cash conversion did not achieve the stretching target range. This results in a payout relating to the financial elements of the scheme, of 75% of salary for both the Chief Financial Officer (CFO) and the former Chief Executive Officer (CEO), out of a maximum of 150% of salary. The non-financial strategic targets were based on specific operational improvements, implementation of new business systems and progress in line with the company's sustainability agenda. Having considered each element carefully, we determined achievement of 15% out of 25% of base salary opportunity for the former CEO and the CFO. The overall bonus achieved was therefore 90% of salary for the CFO and former CEO (prior to pro-rating for the former CEO, based on his period of active service during the year). One-third of the annual bonus will be paid in shares, which must be retained for three years.

Awards granted in 2021 under the Performance Share Plan (PSP) were based on two equally weighted performance measures. Earnings Per Share (EPS) was assessed over the three years to 31 March 2024 and achieved a performance level at 95% of maximum, with compound EPS growth of 11.5% per annum. In the final year of the performance period Return on average Capital Employed (ROCE) was 30.5% and therefore achieved a performance level of 100%. As a result of this strong performance, the 2021 PSP grant will vest at 97.5% overall. A two-year holding period applies to the vested award.

Whilst not a performance measure for the 2021 PSP award, we were pleased to note that the company's Total Shareholder Return (TSR) over the three-year PSP performance period was +15.9%, compared to the FTSE 250 Index at -7.4%.

Given the company's good performance during 2023/24 and over the three-year performance period, there has been a robust link between reward and performance, as well as alignment with investor returns. We are satisfied that the Policy has operated as intended and the remuneration outcomes are appropriate, considering the relativities between outcomes for employees and Executive Directors, and the wider stakeholder experience as set out above. We therefore concluded that it would not be necessary to exercise discretion to adjust the 2023/24 incentive outcomes.

#### Chief Executive Officer succession

Richard Tyson succeeded Ian Barkshire as CEO with effect from 1 October 2023. Details of their remuneration arrangements were provided in the Report and Financial Statements 2023 and further information can also be found in this report.

As he joined part-way through the year, a strategic element for his 2023/2024 annual bonus scheme award was not included for Richard as incoming CEO and instead the other measures were adjusted proportionately.

The payout relating to the financial elements of the scheme, will be 90% of salary (prior to pro-rating for the proportion of the year served in his role). One third of the annual bonus will be paid in shares, which must be retained for three years.

#### Operation of the Remuneration Policy in 2024/25

We carefully reviewed the recommendations and supporting benchmark data regarding base salary increases for employees. In that context we determined that the base salary for the new CEO and the CFO will increase by 3% from £570,000 to £587,100 and from £400,000 to £412,000 respectively, being, below the average UK workforce increase of 3.8%.

The annual bonus opportunity for 2024/25 will remain at 150% of salary and performance measures will continue to be based on profit growth (50%), cash conversion (16.7%), operating profit margin (16.7%) and non-financial strategic objectives (16.7%). One-third of any bonus payable will be delivered in shares which must be retained for three years.

Awards under the Long-Term Incentive Plan (LTIP) will be at 200% of salary for the CEO and 175% of salary for the CFO. Last year, as part of the Committee's work to review the Policy, we made significant changes to the performance measures for LTIP award. This year, we will retain the same broad mix of measures to provide a rounded overall assessment of performance. The measures for the 2024 grant will therefore be EPS (30%), ROCE (30%), TSR (25%) and two sustainability-related measures (15%).

The EPS measure will require compound annual growth of between 2% and 8% over three years and the ROCE measure will be based on a target range of 26%-30%. TSR will be measured relative to the companies comprising the FTSE 250 Index, requiring median performance for threshold vesting and upper quartile performance for maximum vesting.

The target range for the EPS growth measure has reduced slightly from the ranges applying to prior years' awards. This recognises the relatively high 2023/24 profit baseline from where the growth is measured over the next three years. It also takes into account higher corporation tax which means that EPS growth is forecast to be materially flatter than PBT. Finally, this takes into account the more challenging market conditions that we anticipate. Similarly, the target range for the ROCE measure has also been reduced slightly, albeit the Committee recognises that it is still sector leading. We are satisfied that these target ranges are appropriately stretching in light of both the business plan and market outlook, as well as the grant levels under the Policy and anticipate that we should be able to revert to target ranges more in line with historic norms from next year.

The sustainability targets are aligned to our long-term strategy and will require (i) a continued significant reduction in our Scope 1 and Scope 2 emissions by way of completing at least two of our site heating infrastructure projects and (ii) achievement of improvements in female representation in leadership positions.

#### Non-Executive Directors' (NED) fees

The fees of the Chair and NEDs will increase by 3%. This is consistent with the base salary increase for the Executive Directors and is below the average increase across our UK workforce.

#### Conclusion

We hope that you will be supportive of the annual advisory vote to approve the Annual Report on Remuneration at our AGM on 25 July 2024.

#### ALISON WOOD

Chair of the Remuneration Committee

10 June 2024



## REMUNERATION COMMITTEE REPORT continued

### Key responsibilities

The Remuneration Committee (the 'Committee') is responsible for recommending to the Board the remuneration packages for Executive Directors and has oversight of the pay, bonus and share incentive strategy for the Group's executive management. The Chair and the Executive Directors are responsible for determining the remuneration of the Non-Executive Directors, and the Remuneration Committee, in the absence of the Chair, is responsible for determining the remuneration of the Chair. The key responsibilities of the Committee include:

- determining the Remuneration Policy for the Executive Directors and senior leadership;
- considering and determining the components and total remuneration packages for the Executive Directors;
- determining the Policy for pension arrangements, service agreements, recruitment terms and termination payments for Executive Directors;
- designing effective performance-related incentive plans aligned, for Executive Directors and senior leaders, to the business strategy and the wider workforce;
- approving the structure and targets for all performance-related remuneration plans for executives as well as the overall payments made under such plans; and
- reviewing and noting Remuneration Policy and trends across the Group and considering the Executive Directors' remuneration within this context.

### Committee composition

In line with its terms of reference, which are available on our website at: [www.oxinst.com/investors-content/advisers-and-company-secretary](http://www.oxinst.com/investors-content/advisers-and-company-secretary) the Committee comprises a majority of independent Non-Executive Directors. Alison Wood has held the role of Chair of the Committee since 26 January 2021 and has significant prior remuneration committee experience, in particular, chairing remuneration committees at other listed companies, and is sufficiently experienced to undertake this role in line with Provision 32 of the UK Corporate Governance Code 2024.

### Meetings

The Remuneration Committee holds a minimum of two meetings annually, as required under its terms of reference, and this year held seven meetings. Standing attendees at meetings may include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer. Other members of senior management may also attend as required. The Company Secretary is the secretary to the Committee.

### Committee performance review

During the year, an internal performance review of the effectiveness of the Committee was conducted as part of the wider review of the Board and the Board Committees. More information can be found on pages 102 to 103. The review found that the Committee functions effectively and that matters are dealt with in a thoughtful and rigorous manner.

### Committee advisers

Korn Ferry was the Committee's independent remuneration consultant during the year and continues with this appointment in 2024/25. Korn Ferry is appointed by the Committee to provide advice on all aspects of executive remuneration as required by the Committee.

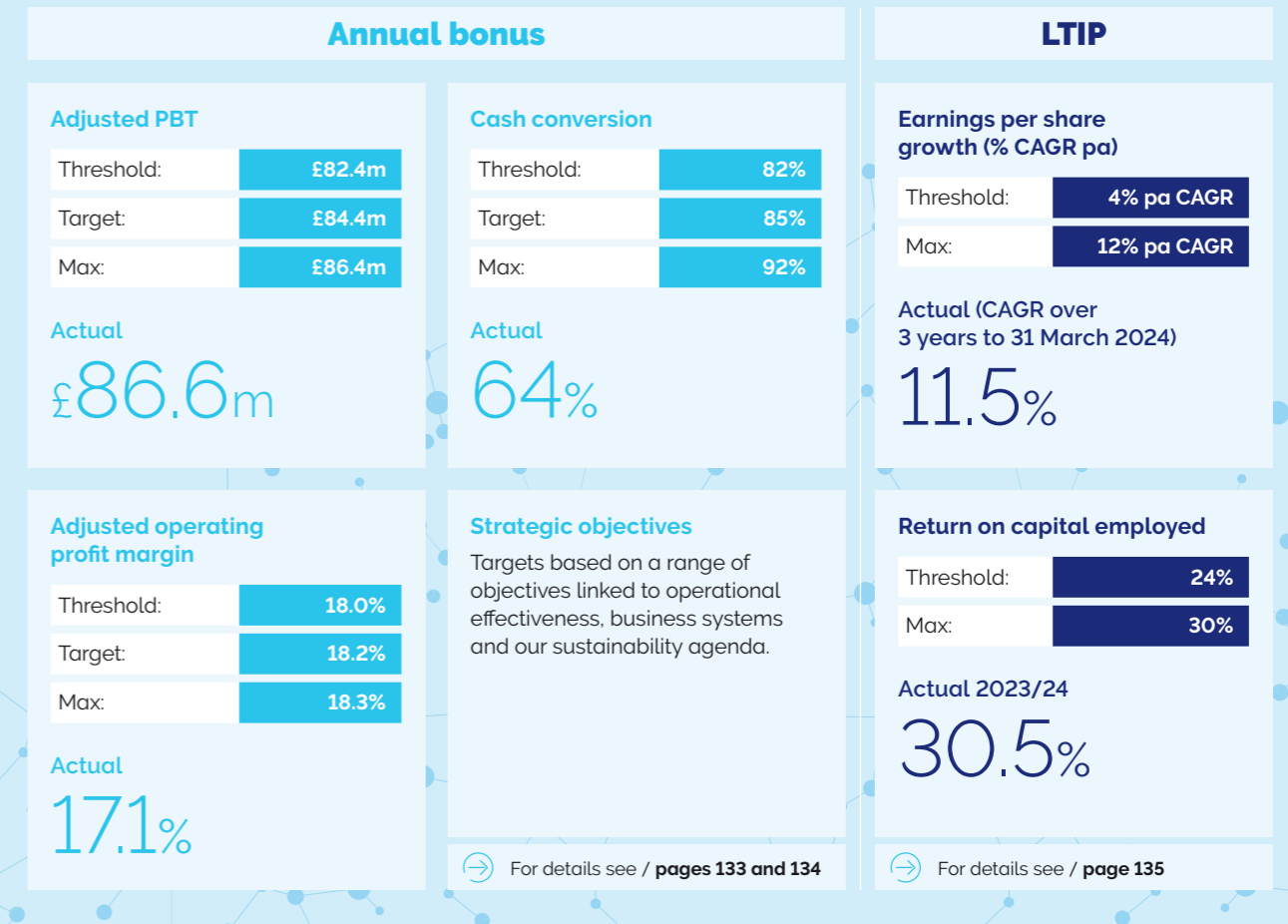
Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres to the Code. During the year, Korn Ferry had discussions with the Committee Chair on remuneration matters relevant to the company and on how best its team can work with the Committee to meet the company's needs. The Committee is satisfied that the advice it received from Korn Ferry for the year ended 31 March 2024 was objective and independent.

Fees are charged predominantly on a time spent basis. The total fees paid to Korn Ferry for the advice provided to the Committee during the year were £95,591 (excluding VAT).

## DIRECTORS' REMUNERATION REPORT

### Remuneration at a glance

The Committee sets stretching performance targets for the annual bonus and performance share plan, that are clearly linked to the strategy and financial performance of the Group. The outcomes in respect of the financial year ended 31 March 2024 are as set out below.



### Executive Directors' remuneration at a glance

Total remuneration payable for 2023/24

	Base salary £'000	Benefits £'000	Pension £'000	Annual bonus £'000	LTIP £'000	Other £'000	Total £'000
Richard Tyson <sup>1</sup>	285	13	15	256	N/A	823	1,392
Ian Barkshire <sup>1</sup>	269	27	26	246	646	5	1,219
Gavin Hill	395	24	32	360	503	0	1,314

1. On 1 October 2023, Richard Tyson succeeded Ian Barkshire as Chief Executive Officer.

## DIRECTORS' REMUNERATION REPORT continued

### Directors' Remuneration Policy (A)

This part of the Directors' Remuneration Report sets out the Group's Remuneration Policy ('Policy') for its Directors.

The Policy was subject to a binding shareholder vote at our AGM on 19 September 2023 and the Policy, unless changed with shareholders' prior agreement, will continue until the 2026 AGM. The complete approved Policy can be found in the Directors' Remuneration Report in the Report and Financial Statements 2023, which is available on our website at [www.oxinst.com/investors-content/financial-reports-and-presentations](http://www.oxinst.com/investors-content/financial-reports-and-presentations)

#### Policy overview

The Policy promotes the delivery of the Group's strategy and seeks to align the interests of Directors, shareholders and other stakeholders. The Committee regularly reviews the link between its incentive structures and strategy to ensure that remuneration packages are appropriate to attract, motivate and retain the high calibre executives that are needed to deliver the Group's strategy.

The company seeks to reward executives fairly and responsibly based on Group performance and their individual contribution. The company has a strategy aimed at delivering significant, balanced and sustainable long-term growth and it is important for motivation and retention that the remuneration of the executives reflects this.

The Committee carefully considers the motivational effects of the incentive structure in order to ensure that it is effective and does not have an unintentional negative impact on matters such as governance, environmental or social issues. More generally, the Committee ensures that the overall Policy does not encourage inappropriate risk-taking.

#### The Committee's approach to determining, reviewing and implementing the new Policy

The Committee considered the following factors described below when determining the new Policy. For details of how we will implement the Policy for 2024/25, see pages 142 to 143.

Principle	Committee approach
<b>Clarity</b> – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	<ul style="list-style-type: none"> <li>The metrics used in our annual bonus have a direct link to our company KPIs, which are familiar to our shareholders and the workforce.</li> <li>Performance Shares are linked to our long-term business strategy, familiar to our shareholders and the workforce.</li> <li>The Remuneration Committee consults with shareholders to explain and clearly set out any proposed changes to the Policy and is committed to having an open and constructive dialogue with shareholders.</li> </ul>
<b>Simplicity</b> – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	<ul style="list-style-type: none"> <li>Our Remuneration Policy is in line with market norms.</li> <li>The application of the Policy is described clearly each year in this report with a clear link between reward and performance.</li> </ul>
<b>Risk</b> – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	<ul style="list-style-type: none"> <li>The Committee has ensured that risks are identified and mitigated by:               <ul style="list-style-type: none"> <li>– having discretion to override the formulaic outturn of incentives; and</li> <li>– having robust clawback and malus provisions.</li> </ul> </li> <li>Performance Shares (with holding periods), annual bonus deferral in shares, together with share ownership requirements, including post-employment share ownership requirements, ensure executives are not encouraged to make short-term decisions but to deliver sustainable shareholder returns over the long term for the benefit of all stakeholders.</li> </ul>
<b>Predictability</b> – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	<ul style="list-style-type: none"> <li>The scenario chart on page 129 sets out the potential rewards available to the Executive Directors under three different performance scenarios.</li> <li>Limits to incentive plans and the basis for the Committee to use discretion are clearly set out.</li> </ul>

Principle	Committee approach
<b>Proportionality</b> – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	<ul style="list-style-type: none"> <li>Variable pay comprises the majority of the Executive Directors' packages, with the individual limits and payout for different levels of performance set out in the Policy and the scenario charts within this Directors' Remuneration Report.</li> <li>The performance conditions are aligned to strategy and the targets are set to be stretching to reward for delivering above-market returns.</li> <li>The Committee retains discretion to override the formulaic outturns of incentives if the payout does not reflect broader company performance and other factors.</li> </ul>
<b>Alignment to culture</b> – incentive schemes should drive behaviours consistent with company purpose, values and strategy.	<ul style="list-style-type: none"> <li>The alignment of metrics to the medium and long-term strategy ensures behaviours consistent with the company's purpose and values are being encouraged.</li> <li>Clawback and malus provisions discourage behaviours that are not consistent with the company's purpose, values and strategy.</li> <li>The Committee reviews the wider workforce pay and policies to ensure there is alignment with the Executive Directors' Remuneration Policy and that remuneration is designed to support the company's people-centric culture. There is a broadly consistent implementation of the Policy throughout the senior management team.</li> </ul>

#### Consideration of shareholder views

The Committee considers feedback from shareholders received at each AGM, together with any feedback from additional meetings, as part of any review of Executive Director remuneration. In addition, the Committee engages proactively with shareholders and their proxy advisers where any material changes to the Policy are proposed. As part of the Policy review during FY23, the Committee wrote to 20 of our largest shareholders and the major shareholder representative bodies to consult on the proposed Policy and its operation going forward. Shareholders were invited to provide any feedback they had and were offered the opportunity to discuss the proposals with the Committee Chair.

#### Remuneration Policy

##### Element of pay: Base salary

Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>To provide a competitive and appropriate level of basic fixed pay to recruit and retain superior talent and avoid excessive risk-taking that might otherwise result from an over-reliance on variable remuneration.</li> <li>Reflects the experience, performance and responsibilities of the individual.</li> </ul>	<ul style="list-style-type: none"> <li>Normally reviewed annually with any increase usually effective 1 July.</li> <li>Takes account of experience, performance and responsibilities as well as the performance of the company, the complexity of the role within the Group and salary increases for employees generally.</li> <li>Set with regard to market data for comparable positions in similar companies in terms of size, internationality, business model, structure and complexity, including within the industry.</li> <li>Pay rises typically aligned with or below that of the workforce.</li> </ul>	<ul style="list-style-type: none"> <li>There is no minimum or maximum annual increase.</li> <li>Higher increases than the average percentage for the workforce may be appropriate; for example, where an individual changes role or their responsibilities increase, where the complexity of the Group changes, where an individual is materially below market comparators or is appointed on a below-market salary with the expectation that his/her salary will increase with experience and performance.</li> </ul>



## DIRECTORS' REMUNERATION REPORT continued

## Directors' Remuneration Policy (A) continued

Element of pay: Benefits		
Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>Provided on a market-competitive basis, aids retention and follows the reward structure for all employees.</li> </ul>	<ul style="list-style-type: none"> <li>Currently include, but are not limited to, the cost of:               <ul style="list-style-type: none"> <li>– life assurance;</li> <li>– private medical insurance;</li> <li>– company car benefit (car, driver, car allowance, fuel); and/or</li> <li>– overnight hotel accommodation where necessary to enable the executive to carry out his duties efficiently at the Head Office and other company sites.</li> </ul> </li> <li>Executive Directors are also eligible to receive long service awards in line with other employees.</li> <li>The benefits provided may be subject to amendment from time to time by the Committee within this Policy.</li> <li>Relocation costs and other incidental expenses may be provided as necessary and reasonable.</li> <li>Benefits are not part of pensionable earnings.</li> </ul>	<ul style="list-style-type: none"> <li>The value of benefits varies from year to year depending on the cost to the company and is not subject to a specific cap.</li> <li>Benefit costs are monitored and controlled and represent a small element of total remuneration costs.</li> </ul>

Element of pay: Pension		
Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>To contribute towards the cost of living in retirement.</li> </ul>	<ul style="list-style-type: none"> <li>Company contributions to a money purchase pension scheme and/or salary supplement.</li> </ul>	<ul style="list-style-type: none"> <li>Pension contributions (or salary supplement in lieu) are aligned to the maximum employer contribution applying to the majority of the UK workforce, currently 6% of salary.</li> </ul>

Element of pay: Annual bonus		
Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>Drives and rewards the successful achievement of targets set at the start of the year with performance normally assessed over a one-year period.</li> </ul>	<ul style="list-style-type: none"> <li>Performance targets based on the key performance indicators and strategic objectives of the business.</li> <li>At least 70% of the bonus is based on financial metrics and the balance on non-financial/strategic metrics.</li> <li>One-third of any bonus earned will be paid in shares, which are beneficially owned and which must be held by the Executive Director for at least three years.</li> <li>The Committee may use discretion to override the result of any formula-driven bonus payment.</li> <li>Clawback and malus provisions apply for misstatement, error, misconduct, corporate failure or reputational damage, or in other circumstances at the discretion of the Committee.</li> </ul>	<ul style="list-style-type: none"> <li>Up to 15% of salary payable for achieving threshold performance.</li> <li>75% of salary at year end payable at target performance.</li> <li>150% of salary at year end payable for maximum performance.</li> </ul>

Element of pay: Long-Term Incentive Plan (LTIP)		
Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>To incentivise the executives and reward them for meeting stretching long-term targets linked to the business strategy.</li> <li>To align the Directors' interests with those of shareholders.</li> <li>Facilitates share ownership to provide further alignment with shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>Annual awards of Performance Shares with vesting subject to achievement of performance targets. Both the vesting and performance period will normally be over a three-year period.</li> <li>Awards structured as options may have a zero exercise price or an exercise price equivalent to the par value of an ordinary share.</li> <li>Awards may be granted in conjunction with a tax-advantaged option granted under the applicable schedule to the LTIP (a Linked Option). This arrangement gives the participant and Group the opportunity to benefit from the tax treatment applicable to tax advantaged options without increasing the pre-tax value of the award delivered to the participant.</li> <li>The Committee will set targets each year linked to the long-term business strategy and may be based on financial performance, a stock market-based metric and non-financial performance.</li> <li>Up to 25% of the awards will vest at threshold performance under each performance condition.</li> <li>Vested awards must be held for a further two years before sale of the shares (other than to pay tax).</li> <li>The Committee may use discretion to override the result of any formula-driven payment.</li> <li>Clawback and malus may be applied for misstatement, error, misconduct, corporate failure or reputational damage, or in other circumstances at the discretion of the Committee.</li> </ul>	<ul style="list-style-type: none"> <li>The maximum award limit is 200% of salary.</li> <li>If an LTIP award is granted as a Linked Option, the shares subject to the tax-advantaged option to which it is linked will not count towards the award limit.</li> <li>In a recruitment situation the limit may be exceeded to facilitate a buy-out award (see further details in the 'Recruitment and promotion policy for Executive Directors' section on page 130).</li> <li>Dividend equivalents may accrue on the LTIP awards over the vesting and holding period and would normally be paid out as shares in respect of the number of shares that have vested.</li> </ul>

Element of pay: All-employee share schemes		
Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>To encourage employee share participation.</li> </ul>	<ul style="list-style-type: none"> <li>The company may from time to time operate tax-approved share schemes (such as the HMRC-approved Share Incentive Plan (SIP)) for which Executive Directors could be eligible.</li> <li>The SIP is open to all UK permanent staff.</li> </ul>	<ul style="list-style-type: none"> <li>The schemes are subject to the limits set by tax authorities.</li> </ul>

## DIRECTORS' REMUNERATION REPORT continued

### Directors' Remuneration Policy (A) continued

Element of pay: Shareholding guideline		
Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>To further align Executive Directors' interests with shareholders'</li> </ul>	<ul style="list-style-type: none"> <li>The Committee has established shareholding guidelines which encourage the Executive Directors to build and retain a holding of company shares equivalent to 200% of base salary.</li> <li>Until the guideline is met, Executive Directors are expected to retain or acquire shares equivalent to the value of 50% of the net amount realised from exercise/vesting of share awards as appropriate after allowing for tax payable.</li> <li>Post cessation of employment there will be a requirement to retain the lower of the level of shareholding at that time, or 200% of base salary, for two years (unless by genuine exception e.g. serious ill health). At the Committee's discretion, shares which have been purchased voluntarily may be excluded, so as not to discourage further self-purchases.</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>

Element of pay: Non-Executive Director (NED) fees		
Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> <li>To remunerate the Chair and NEDs. The fees may be in the form of cash or shares.</li> </ul>	<ul style="list-style-type: none"> <li>Normally reviewed annually.</li> <li>Determined and reviewed taking into account time commitment, experience, knowledge and responsibilities of the role as well as market data for similar roles in other companies of a similar size and/or business to Oxford Instruments.</li> <li>NEDs based outside the UK may receive additional fees taking into account additional travel and time commitment associated with their role.</li> <li>Out-of-pocket expenses including travel may be reimbursed by the company in accordance with the company's expenses policy including tax thereon grossed up as appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>There is no prescribed maximum or maximum annual increase.</li> </ul>

### Discretion retained by the Committee in operating its incentive plans

The Committee may adjust the formula-driven outturn for an annual bonus or LTIP performance condition if it considers the quantum to be inappropriate in light of wider company performance or overall shareholder experience. Any such use of discretion would be detailed in the Annual Report on Remuneration (Part B) and in the Annual Statement of the Committee Chair.

The Committee operates the Group's incentive plans according to their respective rules and in accordance with HMRC rules, where relevant. To ensure the efficient administration of these plans, it may apply certain operational discretions, including:

- selecting the participants in the plans;
- determining the timing of grants and/or payments;
- determining the quantum of grants and/or payments;
- determining the extent of vesting based on the assessment of performance;
- determining 'good leaver' status and, where relevant, the extent of vesting in the case of the share-based plans;
- where relevant, determining the extent of vesting in the case of share-based plans in the event of a change of control;
- making the appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividends); and
- the annual review of weighting of performance measures and setting targets for the annual bonus plan and discretionary share plans from year to year.

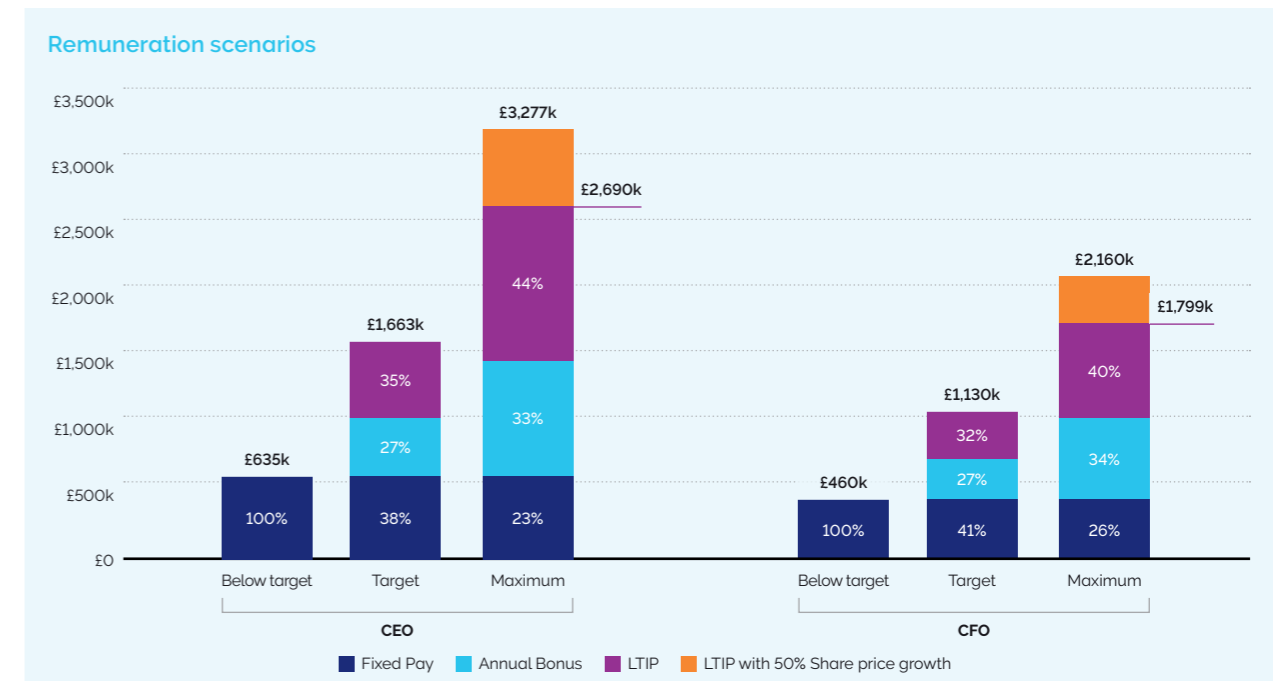
The Committee may adjust the targets and/or set different measures and alter weightings for existing annual bonus plans and share-based awards only if an event occurs which causes the Committee to reasonably consider that the performance conditions would not without alteration achieve their original purpose and the varied conditions are no less difficult to satisfy than the original conditions. Any changes, and the rationale for those changes, will be set out clearly in the Annual Report on Remuneration in respect of the year in which they are made.

### Legacy arrangements

In approving this Directors' Remuneration Policy, authority is given to the company to honour any commitments entered into with current or former Directors (such as the payment of a pension or the vesting or exercise of past share awards) that have been disclosed to and approved by shareholders in previous remuneration reports. Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

### Remuneration scenarios for Executive Directors

The charts below show the level of remuneration potentially payable to Executive Directors under different performance scenarios for FY24/25 (see page 130 for assumptions).





## DIRECTORS' REMUNERATION REPORT continued

### Directors' Remuneration Policy (A) continued

Assumptions for charts on page 129:

- Fixed pay comprises salary levels as at 1 July 2024, pension of 6% of salary and the value of benefits received in 2023/24.
- The on-target level of bonus is 75% of salary.
- The on-target level of vesting under the LTIP is taken to be 50% of the face value of the award at grant, i.e. 100% of salary for the CEO and 87.5% of salary for the CFO.
- The maximum level of bonus is 150% of salary and the maximum LTIP award level is 200% of salary for the CEO and 175% of salary for the CFO.
- To show the impact of potential share price growth on the value of an Executive Director's package, the impact of share price growth of 50% on the LTIP is used.

### Recruitment and promotion policy for Executive Directors

In setting total remuneration levels and in considering quantum for each element of the package for a new Executive Director, the Committee takes into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

The company seeks to align the remuneration package with the Policy approved by shareholders. Salary is provided at such a level as required to secure the most appropriate candidate. For new appointments, base salary and total remuneration may be set initially at below normal market rates on the basis that it may be increased once expertise and performance has been proven and sustained.

Specific variable remuneration performance targets can be introduced for an individual where necessary for the first year of appointment if it is appropriate to do so to reflect the individual's responsibilities and the point in the year in which he or she joined the Board.

Flexibility is retained to offer additional cash and/or share-based payments on appointment in respect of deferred remuneration or benefit arrangements forfeited on leaving a previous employer (ie a buy-out award). The Committee would look to replicate the arrangements being forfeited as closely as possible and, in doing so, will take account of relevant factors including the nature of the remuneration forfeited, performance conditions, attributed expected value and the time over which they would have vested or been paid. Such awards may be made under the terms of the LTIP (which, when combined with a normal annual LTIP award, may exceed the 'normal' 200% of salary limit per annum) or as permitted under the Listing Rules.

For an internal appointment, any variable pay element awarded in respect of the prior role may be allowed to continue to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment may continue.

For external and internal appointments, the Committee may agree that the company will meet certain relocation, legal and any other incidental expenses as appropriate.

### Executive Directors' service contracts and policy on cessation of employment

Details of the service contracts of the Executive Directors, available for inspection at the company's registered office and at the company's AGM, are as follows:

	Contract date	Unexpired term of contract
Richard Tyson	1 October 2023	12-month rolling contract
Gavin Hill	9 May 2016	12-month rolling contract

Details of contractual terms and the policy on cessation of employment are summarised in the table below. Payments to departing Directors can only be made in line with this shareholder-approved Policy:

Contractual provision	Detailed terms
<b>Notice period</b>	12 months by the company or by the Director.
<b>Termination payment</b>	<p>A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, in the event of gross misconduct.</p> <p>For termination in other circumstances, the company has a right to pay salary in lieu of the notice period (or part thereof) if it so determines.</p> <p>In addition, any statutory entitlements in connection with the termination would be paid as necessary, and, at the Committee's discretion if deemed necessary and appropriate, outplacement, legal fees and settlement of claims or potential compensation claims.</p>
<b>Remuneration entitlements</b>	Pro-rata bonus may also become payable for the period of active service based on the satisfaction of performance conditions and payable at the normal time, along with vesting for outstanding share awards or deferred bonus shares (in certain circumstances – see below).
<b>Change of control</b>	No Executive Director's contract contains additional provisions in respect of a change of control. Any applicable share plan rules address the treatment of unpaid and unvested awards.

Any share-based entitlements granted to an Executive Director under the company's share plans will be determined based on the relevant plan rules. The default treatment for existing awards is that any unvested awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, injury, ill health, disability, retirement or other circumstances at the discretion of the Committee, 'good leaver' status may be applied. Under the LTIP (and PSP), awards to good leavers will vest on the normal vesting date, subject to the satisfaction of the relevant performance conditions at that time and will normally be scaled back to reflect the proportion of the original vesting period or performance period actually served. In the event of a good leaver there would be no early release from a post-vest holding period (again, unless by genuine exception, for example, serious ill health). The Committee has discretion in exceptional circumstances to disapply time pro-rating, to measure performance to, and vest awards at, the date of cessation. Vesting at cessation would be the default position where a participant dies. Deferred bonus shares are beneficially owned by the executive from the time of the bonus payment, so are not at risk of forfeiture (other than in relation to clawback).

### Non-Executive Directors

For the appointment of a new Chair or Non-Executive Director, the fee arrangements would be in accordance with the approved Remuneration Policy in place at the time.

Non-Executive Directors are appointed under letters of appointment for fixed terms of three years; however, in line with governance best practice, the company proposes all Directors for annual re-election by shareholders at the AGM. Their appointment can be terminated without notice and with no compensation payable on termination, other than accrued fees and expenses.

	Date of appointment	Notice period	Unexpired term
Neil Carson	1 December 2018	Rolling six months	2024 AGM
Mary Waldner	4 February 2016	None	2024 AGM
Alison Wood	8 September 2020	None	2026 AGM
Sir Nigel Sheinwald	22 September 2021	None	2024 AGM
Reshma Ramachandran	1 September 2022	None	2025 AGM
Hannah Nichols	1 January 2024	None	2026 AGM

## DIRECTORS' REMUNERATION REPORT continued

## Annual Report on Remuneration (B)

The financial information in this part of the report has been audited where indicated.

## Directors' remuneration (audited)

The remuneration paid to the Directors during the year under review and the previous year is summarised in the tables below:

Executive Director		Salary £'000	Benefits <sup>1</sup> £'000	Pension <sup>2</sup> £'000	Annual bonus <sup>3</sup> £'000	Long-term incentive awards <sup>4</sup> £'000	Other <sup>5</sup> £'000	Total fixed £'000	Total variable £'000	Total £'000
Richard Tyson <sup>6</sup>	2024	285	13	15	256	N/A	823	313	1,079	1,392
	2023	-	-	-	-	-	-	-	-	-
Ian Barkshire <sup>7</sup>	2024	269	27	26	246	646	5	327	892	1,219
	2023	523	84	58	534	936	0	665	1,470	2,135
Gavin Hill	2024	395	24	32	360	503	0	451	863	1,314
	2023	376	27	47	395	731	0	450	1,126	1,576
Total	2024	949	64	73	862	1,149	828	1,091	2,834	3,925
	2023	898	111	105	929	1,667	1	1,115	2,596	3,711

- Benefits comprise provision of a car or car allowance, health insurance, life assurance, overnight hotel accommodation where necessary to carry out duties at the Head Office of the company. For Ian Barkshire this also includes provision of a driver to allow him to make best use of his commuting time, which accounted for £23,086 up to 1 October 2023, when he stepped down as Chief Executive Officer, and £30,782 for the year to 1 December 2023 when he ceased to be in active service (2023: £70,716) of the total benefits for Ian Barkshire.
- Each Executive Director is entitled to receive a contribution to a money purchase pension scheme for a fixed value, which up to 18 September 2023 was calculated as 14% of base salary earned on 1 April 2020 and from 19 September 2023 was calculated as 6% of current base salary. Where the contractual pension contribution exceeds the annual or lifetime allowance, any balancing payment is made by the company as a cash allowance which, in line with the policy for all UK employees, is paid net of employer's national insurance contributions.
- Annual bonus represents the annual bonus for the year to 31 March 2024 and would usually be paid in the July 2024 payroll. Of the total bonus amounts payable, £85,500, £109,200 and £120,000 will be paid in shares for Richard Tyson, Ian Barkshire and Gavin Hill, respectively, which must be held for three years, as per the policy.
- Long-term incentive awards are those awards where the vesting is determined by performance periods ending in the year under review and therefore reports the value of the PSP award granted on 5 July 2021. The value has been determined using the average share price over the three months to 31 March 2024, £21.5587. Further details of these calculations are set out on page 135. The value of the prior year awards has been restated using the share price on the vesting date of 25 September 2023 of £21.75, giving a total vested award value, including dividend equivalents, of £936,338 (before restatement £1,032,876) for Ian Barkshire and £730,822 (before restatement £806,156) for Gavin Hill.
- The company operates a Share Incentive Plan (SIP) which is open to all UK permanent staff employed for at least six months. For Ian Barkshire and Gavin Hill, 'Other' is the value of matching SIP shares attributable to the year, as they both participated in the SIP up to the maximum extent permitted by HMRC. The company offers a 1:5 match for partnership shares purchased by employees and this amounted to £130 and £360 each of matching shares for Ian Barkshire and Gavin Hill, respectively.
- For Richard Tyson, who took up the role of CEO with effect from 1 October 2023, the figure stated in 'Other', is the value of the buy-out award in relation to his pro-rated FY23 bonus from his previous employer. This buy-out award is based on the FY23 performance achieved against the original financial and ESG targets at TT Electronics plc which resulted in an outcome of 92% of maximum. The bonus is payable 70% in cash and 30% in Oxford Instruments plc's shares which must be held for two years in line with the policy at TT Electronics plc. This figure also includes the vested value of the buy-out award in respect of his 2021 LTIP award from TT Electronics plc, further details of which are set out later in this report.
- Ian Barkshire retired from his role as CEO and from the Board with effect from 1 October 2023, he then remained in active service until 1 December 2023 before serving the remainder of his notice period on garden leave until 11 April 2024. The figures disclosed above relate to his time as a Director and the remainder of his remuneration is disclosed on page 139. In addition to the value explained at footnote 5 above, the figure stated within 'Other' in respect of Ian also comprises an amount of £6,708.50, by way of a reimbursement payment in respect of the immaterial disbenefit resulting from the conversion of the awards from nil-cost options to nominally priced options of £0.05 per share, during the prior financial year ended 31 March 2023.

Non-Executive Director		Fees £'000	Benefits £'000	Total £'000
Neil Carson	2024	204	-	204
	2023	194	-	194
Richard Friend <sup>1</sup>	2024	42	-	42
	2023	54	-	54
Mary Waldner	2024	66	-	66
	2023	62	-	62
Alison Wood	2024	76	1	77
	2023	70	-	70
Nigel Sheinwald	2024	66	-	66
	2023	62	-	62
Reshma Ramachandran <sup>2</sup>	2024	57	1	58
	2023	32	4	36
Hannah Nichols <sup>3</sup>	2024	14	-	14
	2023	-	-	-
Total	2024	525	2	527
	2023	474	4	478

- Richard Friend stepped down as a Non-Executive Director effective 28 July 2023.
- Reshma Ramachandran was appointed as a Non-Executive Director effective 1 September 2022.
- Hannah Nichols was appointed as a Non-Executive Director effective 1 January 2024.

## Details of annual bonus earned in year (audited)

As in previous years, the Committee set stretching performance targets for the annual bonus which are clearly linked to the strategy and financial performance of the Group. The targets set and the achievement against them are set out in the table below. Note that Ian Barkshire's annual bonus is pro-rated for the period of his active service, up to 1 December 2023. Richard Tyson's annual bonus is pro-rated from the date of his appointment, of 1 October 2023.

Measure	Targets			Percentage of salary payable – Ian Barkshire (subject to pro-rating) and Gavin Hill			Percentage of salary payable (subject to pro-rating) – Richard Tyson			Actual	Payout % of salary (pro-rating applied)		
	Threshold	On target	Maximum	Threshold	On target	Maximum	Threshold	On target	Maximum		Ian Barkshire	Gavin Hill	Richard Tyson
Adjusted profit before tax	£82.4m	£84.4m	£86.4m	7.5%	37.5%	75%	9%	45%	90%	£86.6m	50%	75%	45%
Adjusted operating profit margin	18.0%	18.2%	18.3%	2.5%	12.5%	25%	3%	15%	30%	17.1%	0%	0%	0%
Cash conversion	82%	85%	92%	2.5%	12.5%	25%	3%	15%	30%	64.0%	0%	0%	0%
Strategic objectives	-	-	-	2.5%	12.5%	25%	-	-	-	15%	10%	15%	-
											60%	90%	45%



## DIRECTORS' REMUNERATION REPORT continued

## Annual Report on Remuneration (B) continued

The non-financial strategic objectives were set at the start of the year. Details of the objectives and an assessment as to their achievement are set out below:

CEO objectives (Previous CEO, Ian Barkshire)	Weighting	Achievements toward objectives/performance	
Delivery of targeted operational improvement outcomes.	8/25	<ul style="list-style-type: none"> <li>Good progress including margin improvement through high-quality outsourcing, implementation of a new commodity strategy for a notable proportion of spend and considerable lead time reductions.</li> </ul>	6 out of 8
As regards business systems, complete ERP implementations in respect of two major sites during the year.	8/25	<ul style="list-style-type: none"> <li>Implementation at one major site was successfully completed, albeit with some disruption to operations. Implementation at the other major site was not completed.</li> </ul>	2 out of 8
Deliver substantive progress against each of the core drivers of improvement within our sustainability agenda.	9/25	<ul style="list-style-type: none"> <li>Good progress delivered, with the launch of the Go Green programme, new renewable energy contracts secured, updates to NPI processes and launch of employee impact groups, amongst other things.</li> </ul>	7 out of 9
<b>Total</b>	<b>100%</b>		<b>15% out of 25%</b>

CFO objectives (Gavin Hill)	Weighting	Achievements toward objectives/performance	
Delivery of targeted operational improvement outcomes.	8/25	<ul style="list-style-type: none"> <li>Good progress including margin improvement through high-quality outsourcing, implementation of a new commodity strategy for a notable proportion of spend and considerable lead time reductions.</li> </ul>	6 out of 8
As regards business systems, complete ERP implementations in respect of two major sites during the year.	8/25	<ul style="list-style-type: none"> <li>Implementation at one major site was successfully completed, albeit with some disruption to operations. Implementation at the other major site was not completed.</li> </ul>	2 out of 8
Deliver substantive progress against each of the core drivers of improvement within our sustainability agenda, including embedding related reporting into financial processes in a revised financial model.	9/25	<ul style="list-style-type: none"> <li>Good progress delivered, with the launch of the Go Green programme, new renewable energy contracts secured, updates to NPI processes and launch of employee impact groups, amongst other things.</li> </ul>	7 out of 9
<b>Total</b>	<b>100%</b>		<b>15% out of 25%</b>

The on-target and maximum bonus potentials for the Executive Directors, as well as the amounts actually payable for the year ended 31 March 2024, are set out below.

	On-target bonus (% of salary)	Maximum bonus (% of salary)	Actual bonus payable for 2023/24 (% of salary) <sup>1</sup>	Actual bonus payable for 2023/24 (% of maximum)	Actual bonus payable <sup>1,2</sup> for 2023/24
Richard Tyson <sup>3</sup>	37.5%	75%	45%	60%	£256,500
Ian Barkshire <sup>4</sup>	50%	100%	60%	60%	£327,600
Gavin Hill	75%	150%	90%	60%	£360,000

1. Bonus is calculated on salary as at 31 March 2024.

2. Of the amounts disclosed, £85,500, £120,000 and £109,200 will be paid in shares to Richard Tyson, Gavin Hill and Ian Barkshire, respectively, which must be held for three years, as per the policy.

3. For Richard Tyson, the above represents the Oxford Instruments element of his annual bonus, for which the quantum has been pro-rated based on his appointment date of 1 October 2023. In addition to this and as explained in more detail on page 132, Richard also received a pro-rated annual bonus in respect of what he would have received at his previous employer and based on its performance, by way of his buy-out package upon joining the company.

4. Ian Barkshire's annual bonus is pro-rated for the period of his active service, up to 1 December 2023. The bonus in relation to the period of the year Ian Barkshire was CEO is shown in the Directors' remuneration table (£245,700) and the bonus in relation to the period of active service is shown in the payments to past directors section (£81,900).

## Long-term incentive plans (audited)

The performance targets, performance against them and the resulting value in respect of the long-term incentive awards where vesting is determined by a performance period ending in 2024/25 are as follows:

## Performance Share Plan (PSP)

The performance targets which applied to the awards made on 5 July 2021 for the performance period ending in the year under review and actual performance achieved against them were as follows:

50% of the award is based on EPS measured over a three-year performance period starting 1 April 2021:

Performance level	EPS growth over three years	% of award that will vest
Below threshold	Less than 4% per annum	0%
Threshold	4% per annum	25%
Between threshold and maximum	4% to 12% per annum	25%-100%
Maximum	12% per annum and above	100%
Actual EPS	109.0p	
<b>Actual growth achieved over the period (per annum)</b>	<b>11.5%</b>	<b>95%</b>

50% of the award is based on the company's return on capital employed in the final year of the three-year performance period<sup>1</sup>:

Performance level	ROCE <sup>1</sup> for the final year of the performance period	% of award that will vest
Below threshold	Less than 24%	0%
Threshold	24%	25%
Between threshold and maximum	Between 24% and 30%	25%-100%
Maximum	30% per annum and above	100%
<b>Actual ROCE achieved in 2023/24</b>	<b>30.5%</b>	<b>100%</b>

1. ROCE is calculated as Earnings Before Interest and Tax (EBIT)/capital employed where EBIT is adjusted operating profit less amortisation of acquired intangibles (£71.2m), and capital employed (£269.2m) is defined as documented in the Finance Review on page 68.

Based on the performance against targets, the PSP awards will vest on 5 July 2024 as follows:

	Date award granted	Total number of shares granted	Reduction due to pro-rating for good leaver	Percentage of award vesting	Number of shares vesting	Value <sup>1</sup> of shares vesting (£'000)	Number of shares awarded as dividend equivalent <sup>2</sup>	Value <sup>1</sup> of shares vesting including dividend equivalent (£'000)
Ian Barkshire	5 July 2021	32,468	2,488	97.5%	29,230	630	723	646
Gavin Hill	5 July 2021	23,338	N/A	97.5%	22,755	491	563	503

1. As the awards vest after the date of this report, value has been calculated using the average mid-market closing price of the company's shares over the three-month period ending 31 March 2024, £21.5587. This will be restated for the actual value on vesting in next year's report.

2. Dividend equivalents have been calculated based on dividends paid up until the date of this report. If dividends are payable between the date of this report and the vesting date, additional dividend equivalents will be awarded and the value will be updated in next year's report.

## DIRECTORS' REMUNERATION REPORT continued

### Annual Report on Remuneration (B) continued

#### Long-Term Incentive Plan awards made in the year and outstanding share incentive awards (audited)

Richard Tyson joined the company as Chief Executive Officer on 1 October 2023. On 14 November 2023, he was granted two awards of nominally priced options of £0.05 under the LTIP which comprise the buy-out arrangements to replace the 2021 and 2022 LTIP awards from his previous employer, TT Electronics plc, which lapsed in connection with his joining the company. The awards will vest based on the achievement of the original TT Electronics plc performance targets and they will accrue dividend equivalents. A two-year post-vesting holding period applies to all awards. With regards to his forfeited 2023 TT Electronics plc LTIP award, Richard did not receive a replacement award in the same way as his other forfeited LTIP awards, but instead received an award under the Oxford Instruments LTIP in 2023, further details of which are set out below.

The buy-out awards made to Richard Tyson under the LTIP during the financial year ended 31 March 2024, and details relating to their vesting where applicable, are as follows:

	Date award granted	Total number of shares granted	Face value of award at grant date	Share price on day before award date	Vesting date	Percentage of award vesting	Number of shares vesting	Value <sup>1</sup> of shares vesting (£'000)	Number of shares awarded as dividend equivalent	Value <sup>1</sup> of shares vesting including dividend equivalent (£'000)
Richard Tyson	14 Nov 2023	27,872	£572,770	£19.24	16 Mar 2024	43.91%	12,237	255	1,284	281
		30,975	£636,536	£19.24	14 Mar 2025	N/A	N/A	N/A	N/A	N/A

1. Calculated based on the share price on the 18 March 2024 of £20.80 (being the closest date to the vesting date).

Awards made in the ordinary course under the LTIP during the financial year ended 31 March 2024 were as set out below. As noted in last year's report, and for the reasons set out therein, the Committee determined that the 2023/24 LTIP award for Gavin Hill should be based on 200% of salary, on an exceptional basis.

	Date award granted	Total number of shares granted	Percentage of salary	Face value of award at grant date	Share price on day before award date	Vesting date
Gavin Hill	25 Sept 2023	36,697	200%	£798,160	£21.80	31 July 2026
Richard Tyson	14 Nov 2023	53,023	200%	£1,089,623	£19.24	31 July 2026

The awards are nominally priced options of £0.05 and are subject to the following performance conditions:

Performance measure	Weighting	Performance targets
Earnings Per Share (EPS)	30%	4% pa (25% vesting) to 10% pa (100% vesting) CAGR over three financial years measured from the 2022/23 financial year end EPS.
Return on Capital Employed (ROCE)	30%	30% in the final year of the performance period (2025/26 financial year) (25% vesting) to 34% (100% vesting).
Relative Total Shareholder Return (TSR)	25%	Median (25% vesting) to Upper quartile (100% vesting) over three financial years commencing with the 2023/2024 financial year relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – emissions reduction	7.5%	2% reduction of absolute Scope 1 and 2 emissions in the final year of the performance period (2025/26 financial year) (25% vesting) to 9% (100% vesting).
Sustainability – percentage of females in senior leadership positions	7.5%	35% in the final year of the performance period (2025/26 financial year) (25% vesting) to 40% (100% vesting). The current percentage of females in senior leadership positions is 31.9%. Senior leadership is defined as Leadership Committee, their direct reports and key decision makers.

As at 31 March 2024, the outstanding options for Richard Tyson, Ian Barkshire and Gavin Hill under the PSP and LTIP<sup>1</sup> were as follows:

Scheme	31 March 2024	Granted	Exercised	Lapsed	Dividend equivalents <sup>1</sup>	1 April 2023	Exercise price <sup>2</sup>	Share price on date of grant	Date of grant	Earliest exercise	Latest exercise
<b>Richard Tyson</b>											
LTIP <sup>3</sup>	13,521	27,872		15,635	1,284	–	£0.05	£20.55	14/11/23	16/03/24	15/03/31
LTIP <sup>3</sup>	30,975	30,975				–	£0.05	£20.55	14/11/23	14/03/25	13/03/32
LTIP	53,023	53,023				–	£0.05	£20.55	14/11/23	31/07/26	13/11/33
<b>Ian Barkshire<sup>4</sup></b>											
PSP	–		67,998			67,998	£0.05	£9.58	25/09/17	25/09/20	24/09/27
PSP	–		66,172			66,172	£0.05	£10.10	03/07/18	03/07/21	02/07/28
PSP	49,497					49,497	£0.05	£14.00	15/07/19	15/07/22	14/07/29
PSP	43,050				1,031	42,019	£0.05	£16.24	23/09/20	23/09/23	22/09/30
PSP <sup>5</sup>	32,468					32,468	£0.05	£23.80	05/07/21	05/07/24	04/07/31
PSP	40,979					40,979	£0.05	£19.40	20/06/22	20/06/25	19/06/32
<b>Gavin Hill</b>											
PSP	53,071					53,071	£0.05	£9.58	25/09/17	25/09/20	24/09/27
PSP	51,646					51,646	£0.05	£10.10	03/07/18	03/07/21	02/07/28
PSP	38,633					38,633	£0.05	£14.00	15/07/19	15/07/22	14/07/29
PSP	33,601				805	32,796	£0.05	£16.24	23/09/20	23/09/23	22/09/30
PSP <sup>5</sup>	23,338					23,338	£0.05	£23.80	05/07/21	05/07/24	04/07/31
PSP	29,456					29,456	£0.05	£19.40	20/06/22	20/06/25	19/06/32
LTIP	36,697	36,697				–	£0.05	£21.75	25/09/23	31/07/26	24/09/33

- Dividend equivalents are awarded on vesting of PSP and LTIP awards, for the period to vesting, in respect of the actual number of shares vesting.
- During the prior financial year ended 31 March 2023 the Remuneration Committee agreed that those awards outstanding under the PSP, both vested and unvested, which had been granted as nil-cost options, would be converted to nominally priced options of £0.05 per share. For the Executive Directors, a reimbursement payment will be made in respect of the immaterial disbenefit (ie the difference between £0 and £0.05 per share), at the point at which any award vests or for those awards which have already vested, at the earlier of when they exercise their options or when future vesting activity is scheduled to take place. Upon any such payment being made, this will be disclosed and explained in the Single Figure Table as an item of 'Other remuneration'.
- The awards granted to Richard Tyson with vesting dates in 2024 and 2025 comprise the buy-out arrangements which replace Richard's 2021, 2022 and 2023 LTIP awards from his previous employer, TT Electronics plc, which lapsed in connection with his joining the company.
- Ian Barkshire's outstanding awards will be treated in line with good leaver status under the relevant share plan rules and as such, will be pro-rated to the date of his cessation of employment. The total gain received by Ian Barkshire on the exercise of share options during the year was £3,216,553.
- The performance conditions relating to this award have been tested and have vested at 97.5%.

The market price of the shares at 28 March 2024 was £21.25 (2023: price on 31 March 2023 was £25.05) and the range during the year was £17.12–£28.55 (2023: £17.20–£26.25).

Performance conditions for outstanding, unvested awards which are not stated elsewhere in this report are described below:

PSP	50% of award	50% of award
20 June 2022 <sup>2</sup>	EPS growth – 4% pa (25% vesting) to 10% pa (100% vesting)	ROCE <sup>1</sup> in the final year of the performance period – 26% (25% vesting) to 32% (100% vesting)

- ROCE is calculated as EBIT/capital employed where EBIT is adjusted operating profit less amortisation of acquired intangibles, and capital employed is defined as documented in the Finance Review on page 68.
- Three-year performance period commencing 1 April prior to date of grant.



## DIRECTORS' REMUNERATION REPORT continued

### Annual Report on Remuneration (B) continued

#### Dilution limits (unaudited)

The company's Long-Term Incentive Plan rules which were approved by shareholders at the Annual General Meeting on 19 September 2023, provide that overall dilution through the issuance of new shares for employee share schemes should not exceed an amount equivalent to 10% of the company's issued share capital over a ten-year period. They also provide that overall dilution through the issuance of new shares for employee share schemes pursuant to awards to Executive Directors and other senior executives should not exceed an amount equivalent to 5% of the company's issued share capital over a ten-year period. The SIP scheme uses only market-purchased shares.

The company monitors the position prior to making awards to ensure that it remains within the applicable limit. As of the date of this report, the company's utilisation is under 2%.

#### Shareholding requirements (audited)

The Executive Directors are required to build and retain a shareholding in the company equivalent in value to 200% of basic salary. Until the requirement is met, the Executive Directors are expected to retain or purchase shares equivalent to the value of 50% of the net amount realised on exercise of long-term incentive awards after allowing for tax payable. The value of vested but unexercised PSP and LTIP awards may count towards the shareholding level, calculated at the net of tax value.

Directors' shareholdings (and those of any persons closely associated) as at 31 March 2024 are shown in the table below.

	Beneficially owned shares	Share option awards vested but unexercised	Percentage of salary held in shares under shareholding guideline <sup>1</sup>	Guideline met as at 31 March 2024	Share option awards unvested and subject to performance <sup>2</sup>
Richard Tyson	0	13,521	27%	No	83,998
Ian Barkshire <sup>3</sup>	4,744	92,547	209%	Yes	73,447
Gavin Hill	4,014	176,951	520%	Yes	89,491
Neil Carson	24,000	–	–	N/A	–
Mary Waldner	1,000	–	–	N/A	–
Alison Wood	0	–	–	N/A	–
Nigel Sheinwald	0	–	–	N/A	–
Reshma Ramachandran	0	–	–	N/A	–
Hannah Nichols	0	–	–	N/A	–
Richard Friend <sup>4</sup>	0	–	–	N/A	–

- The notional tax rate used to determine the net value of the vested share awards is 47%. Shares valued using the market price of the shares on 28 March 2024: £21.25.
- Award granted in July 2021 will vest at 97.5% in July 2024. Awards granted in June 2022, September 2023 and November 2023 remain subject to performance conditions.
- Ian Barkshire will be subject to the post-cessation shareholding obligations as set out in the Policy.
- Richard Friend stepped down as a Non-Executive Director effective 28 July 2023.

#### Pension arrangements

##### Executive Director pension arrangements (audited)

Executive Directors can decide to contribute to a pension plan of their choice. The company contributes a fixed amount, which up to 18 September 2023, was calculated as 14% of base salary paid in year to 31 March 2020. With effect from the AGM held on 19 September 2023, the pension contribution for Executive Directors reduced to 6% of salary, which is the maximum percentage amount payable to the majority of the UK workforce. Only base salary is pensionable. Where the company's pension contribution exceeds the annual allowance, a balancing payment is paid by the company to the Director, which is taxed as income. In line with the policy for all UK employees, this cash payment is reduced by 12.12% to cover employer's national insurance costs.

During the year and in respect of the periods in which they served as Directors of the company, respectively, the company contributed £5,001 (2023: £4,000) into the company's Group Personal Pension Plan for Ian Barkshire, £10,000 (2023: £4,000) into a personal defined contribution plan for Gavin Hill. Balancing payments of £20,828 to Ian Barkshire, £22,293 to Gavin Hill and £15,027 to Richard Tyson (net of employer's national insurance contributions) were paid as cash.

#### Payments to past Directors and for loss of office (audited)

During the year no payments were made to Directors for loss of office.

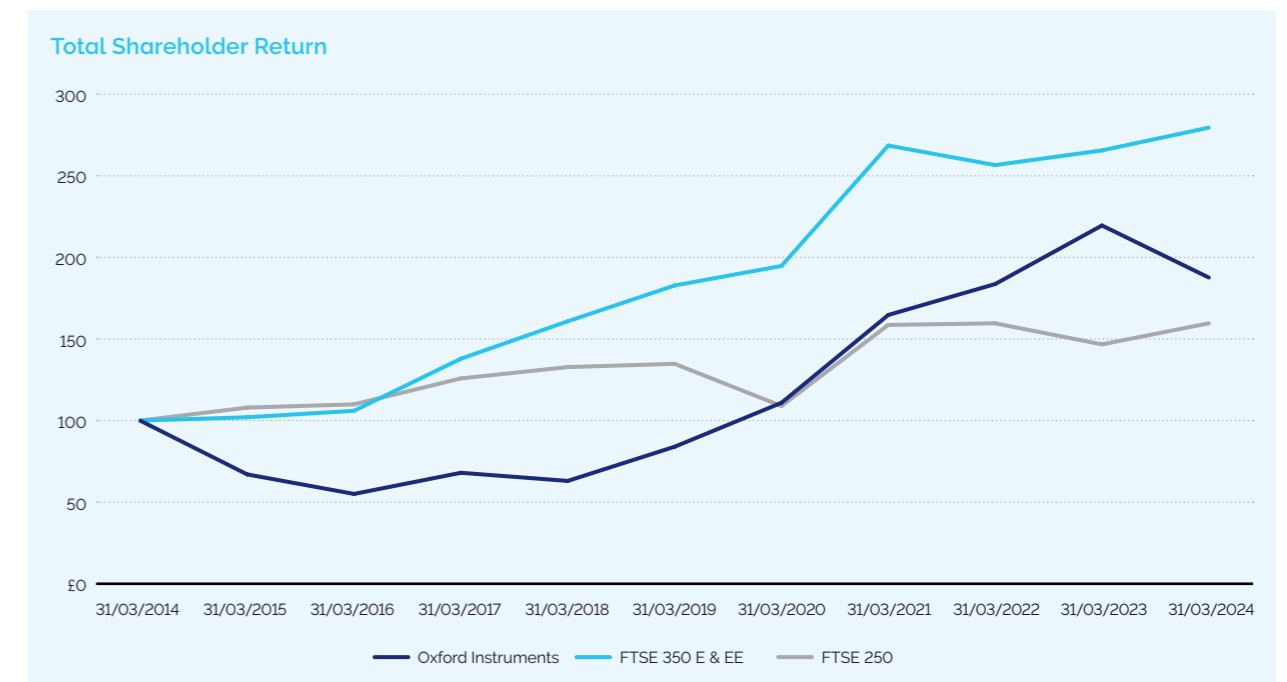
Ian Barkshire retired from his role as CEO and from the Board with effect from 1 October 2023, he then remained in active service until 1 December 2023 before serving the remainder of his notice period on garden leave until 11 April 2024.

An overview of the treatment of Ian's remuneration for 2023/24 and for the duration of his notice period is set out below:

- Ian received salary, benefits and pension for the duration of his notice period; however the benefit provision of a driver ceased at the end of his active employment. In respect of the period post his retirement as CEO, he received salary of £273,000, benefits of £11,950 and pension of £16,146 (broken down as a contribution of £5,000 into the company's Group Personal Pension Plan and £11,146 as a balancing payment).
- Ian was eligible to participate in the 2023/24 annual bonus plan for the period of his active service and this will be payable at the usual time based on performance, payable in cash and deferred shares, as detailed on pages 133 and 134. The value of the bonus payable in respect of his period of active service post stepping down as CEO, is £81,900.
- Ian was not eligible to receive an LTIP award for 2023/24.
- Ian is treated as a good leaver in respect of his unvested LTIP awards and these will continue subject to a time pro-rata reduction to the end of his notice period, the achievement of performance conditions and vesting at the normal time. The two-year post-vesting holding periods continue to apply for these awards.
- In line with the Policy, Ian will be subject to the post-cessation shareholding requirement which requires him to retain a shareholding on cessation, equivalent to 200% of base salary, for two years (unless by genuine exception, e.g. serious ill health). The two-year period is effective from the end of his notice period.

#### Performance graph and CEO's remuneration (unaudited)

The graph below shows for the ten years ended 31 March 2024 the total shareholder return (TSR) on a holding of the company's ordinary shares compared with the TSR of an equivalent value invested in the FTSE 250 and FTSE 350 Electronic and Electrical Equipment indices. These indices have been chosen as they are considered to be the most appropriate comparator groups for the company.



## DIRECTORS' REMUNERATION REPORT continued

## Annual Report on Remuneration (B) continued

The total remuneration of the CEO over the last ten years is shown in the table below. The annual bonus payout and PSP/LTIP vesting level as a percentage of the maximum opportunity are also shown.

Year ending 31 March	2017 <sup>1</sup>										2024 <sup>3</sup>	
	2015	2016	Jonathan Flint	Ian Barkshire	2018	2019	2020	2021	2022	2023	Ian Barkshire	Richard Tyson
Total remuneration (£'000)	579	743	64	620	791	1,957	1,967	2,244	2,087	2,135	1,219	1,392
Annual bonus outcome (%)	7.5%	38.6%	0%	56.3%	63.7%	94.4%	62.9%	100%	74.2%	80.56%	60%	60%
ESOS vesting (%)	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SELTIS/PSP/LTIP <sup>2</sup> vesting (%)	0%	0%	0%	N/A	N/A	92.8%	100%	100%	100%	100%	97.5%	N/A

- 2016/17 financial year: remuneration shown separately for Jonathan Flint who was CEO from 1 April to 11 May 2016 and Ian Barkshire who was CEO from 12 May 2016 to 31 March 2017.
- Executive Directors were last granted ESOS (market value share options) and SELTIS (nil-cost options) in June 2014. PSP awards were granted from June 2014 to June 2022. LTIP awards have been granted since September 2023.
- 2023/24 financial year: remuneration shown separately for Ian Barkshire who was CEO from 1 April 2023 to 1 October 2023 and Richard Tyson who was CEO from 1 October 2023 to 31 March 2024.

## Ratio of Chief Executive Officer pay to that of employees

The Chief Executive Officer to employee pay ratio for 2023/24 and prior financial years is set out below:

Financial year	Method	25th percentile	50th percentile	75th percentile
2023/24	A	76.8:1	57.7:1	42.6:1
2022/23	A	66.2:1	49.4:1	36.8:1
2021/22	A	65.3:1	48.5:1	36.3:1
2020/21	A	72.6:1	55.0:1	39.8:1
2019/20	A	62.5:1	47.8:1	33.3:1

The aggregated payments made in respect of both of the CEOs who served during the year, and the employees at the percentiles for the 2023/24 ratio are set out below:

	CEO	25th percentile	50th percentile	75th percentile
Salary	£554,000	£32,076	£42,699	£57,312
<b>Total pay</b>	<b>£2,610,426</b>	<b>£34,001</b>	<b>£45,261</b>	<b>£61,326</b>

The ratios have been calculated in accordance with Option A under the relevant regulations, as this is the most statistically accurate method. The CEO pay is compared to the pay of our UK employees at the 25th, 50th and 75th percentile, calculated based on full-time equivalent pay data for the full financial year to 31 March 2024. All UK employees employed at the end of the financial year who had worked the full year have been included, part-time employees have been included and pay has been converted to a full-time equivalent number by calculating total part-time pay and grossing up to the full-time equivalent for the role. Accordingly, any employees that left the company or joined during the year have been excluded.

The calculations use the aggregated pay for Richard Tyson and Ian Barkshire as disclosed in the single figure table. The pay for all UK employees comprises salary, benefits, pension and annual bonus payments due for 2023/24 and includes certain remuneration elements which were specific to the terms of their joining the company or their retirement, respectively. None of the employees at the percentiles received share awards.

The CEO pay ratio has increased this year. This is largely as a result of the change of CEO during the year, with Ian Barkshire stepping down and Richard Tyson taking up the role with effect from 1 October 2023. The calculation includes the pro-rated annual bonus and the full LTIP FY21 award for Ian Barkshire, as well as certain elements of Richard Tyson's buyout package, being the replacement LTIP award which vested in March 2024 and the buyout of his TT electronics annual bonus for 2023 – as well as his pro-rated Oxford Instruments plc annual bonus. As the Committee is regularly apprised of the Remuneration Policy throughout the company to ensure that decisions in relation to executive pay are considered in the round, the Committee is satisfied the pay of the employees identified for the quartiles appropriately reflects the employee pay structure in each quartile and the resulting pay ratios are consistent with the pay, reward and progression policies in place for all employees.

## Percentage change in the remuneration of the Directors (unaudited)

The table below shows the percentage change in each of the Director's salaries, taxable benefits and annual bonus earned between 2019/20 to 2023/24 compared to that for the average UK-based employee of the Group (on a per capita full-time equivalent basis).

Directors during the year ended 31 March 2024	2022/23 to 2023/24 % change			2021/22 to 2022/23 % change			2020/21 to 2021/22 % change			2019/20 to 2020/21 % change		
	Salary <sup>a</sup>	Benefits	Bonus <sup>10</sup>	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
Richard Tyson <sup>1</sup>	N/A	N/A	-	N/A	N/A	-	N/A	-	-	N/A	-	-
Ian Barkshire <sup>2</sup>	N/A	N/A	-	71	24.5	15.0	15.0	30.1	2.8	-3.6	-41.3	62.1
Gavin Hill	5.2	-13.7	-8.9	5.0	18.8	15.3	8.5	2.3	-2.8	-4.1	8.2	57.1
Neil Carson	5.0	-	-	4.3	-	-	8.0	-	-	-4.3	-	-
Richard Friend <sup>3</sup>	N/A	N/A	-	4.3	-	-	8.0	-	-	-3.4	-	-
Mary Waldner	7.0	-	-	3.8	-	-	8.3	-	-	-3.8	-	-
Alison Wood <sup>4</sup>	8.6	100	-	9.3	-	-	N/A	-	-	N/A	-	-
Nigel Sheinwald <sup>5</sup>	7.0	-	-	N/A	-	-	N/A	-	-	N/A	-	-
Reshma Ramachandran <sup>6</sup>	N/A	N/A	-	N/A	N/A	-	N/A	-	-	N/A	-	-
Hannah Nichols <sup>7</sup>	N/A	N/A	-	N/A	N/A	-	N/A	-	-	N/A	-	-
Average employee pay <sup>8</sup>	1.73	-11.0	-29.3	10.3	9.01	-4.7	4.24	-8.4	-23.1	-0.7	-6.7	7.0

- Richard Tyson joined the Board on 1 October 2023.
- Ian Barkshire stepped down from the Board on 1 October 2023.
- Richard Friend stepped down from the Board on 28 July 2023.
- Alison Wood joined the Board on 8 September 2020.
- Nigel Sheinwald joined the Board on 22 September 2021.
- Reshma Ramachandran joined the Board on 1 September 2022.
- Hannah Nichols joined the Board on 1 January 2024.
- Average employee pay includes all UK employees in service on 31 March 2024 for the 2022/23 to 2023/24 comparison, but excludes those who were on maternity leave, long-term sick leave and those who started or ended employment within the period.
- The average pay increase across all employees in the UK in 2023/24 was 6.97%.
- The value of the average employee bonus for the year ended 31 March 2024 (to be paid in July 2024) was not known at the time the Annual Report was approved and consequently the number included is management's best estimate of the bonus that will be paid.

## Relative importance of the spend on pay

The following table shows the Group's employee costs relative to dividends:

	Year ended 31 March 2024	Year ended 31 March 2023	% change
Employee costs (£m)	155.4	146.4	6.15%
Dividends (£m)	11.4	10.6	7.55%



## DIRECTORS' REMUNERATION REPORT continued

### Annual Report on Remuneration (B) continued

#### Statement of shareholder voting (unaudited)

The resolution to approve the Directors' Remuneration Policy was passed at the 2023 AGM and received the following votes from shareholders:

Resolution	Votes for	Votes against	% for	% against	Votes marked as abstain
To approve the Directors' Remuneration Policy	43,129,297	862,318	98.04	1.96	4,077

The resolution to approve the Annual Report on Remuneration at the 2023 AGM received the following votes from shareholders:

Resolution	Votes for	Votes against	% for	% against	Votes marked as abstain
To approve the Annual Report on Remuneration	41,577,906	670,985	98.41	1.59	1,746,801

#### How the Policy will be applied in 2024/25 (unaudited)

##### Base salaries

With effect from 1 July 2024, the salary of the CEO will increase by 3% from £570,000 to £587,100 and the salary of the CFO will increase by 3% from £400,000 to £412,000. These increases are below the average increase awarded across the UK workforce.

##### Benefits and pension

Benefits will be in line with the Policy and with those received in 2023/24. Pension contributions will be 6% of salary, which is the maximum percentage amount payable to the majority of the UK workforce.

##### Annual bonus

The maximum opportunity under the annual bonus plan for 2024/25 will be 150% of base salary for both the CEO and CFO. One-third of the bonus payable will be delivered in shares subject to a three-year holding period. A combination of financial (83.3%) and non-financial strategic (16.7%) metrics will be used to determine the level of payment under the annual bonus for the CEO and CFO as detailed in the table below:

Measure	Weighting as a % of maximum
Profit (£m)	50%
Adjusted operating profit margin (%)	16.7%
Cash conversion (%)	16.7%
Strategic objectives	16.7%

For the CEO and CFO, the non-financial strategic objectives are linked to operational improvement and progressing the new strategic plan, amongst other things.

The Committee has chosen not to disclose, in advance, the performance targets for the forthcoming year as these include matters which the Committee considers commercially sensitive. Retrospective disclosure of the performance against them will be made in next year's Annual Report on Remuneration.

#### Long-term incentive awards in respect of the financial year

The 2024/25 LTIP awards will be over shares with a market value at grant of 200% of salary for the CEO and 175% for the CFO.

Vesting will be subject to the performance conditions as set out below measured over a three-year performance period commencing 1 April 2024. We believe that the mix of performance conditions will provide a strong and rounded assessment of the success of the business performance, strategy and purpose, over the period.

The target range for the EPS growth measure has reduced slightly from the ranges applying to prior years' awards. This recognises the relatively high 2023/24 profit baseline from where the growth is measured over the next three years. It also takes into account higher corporation tax which means that EPS growth is forecast to be materially flatter than PBT. Finally, this takes into account the more challenging market conditions that we anticipate. Similarly, the target range for the ROCE measure has also been reduced slightly, albeit the Committee recognises that it is still sector leading. We are satisfied that these target ranges are appropriately stretching in light of both the business plan and market outlook, as well as the grant levels under the Policy and anticipate that we should be able to revert to target ranges more in line with historic norms from next year.

The TSR measure will require significant stock market outperformance.

The sustainability measures will: (i) support significant reduction in our Scope 1 and 2 emissions through requiring the completion of our intended site heating infrastructure projects at two of our major UK manufacturing sites, which will represent a notable reduction, estimated at between 17% and 21%; and (ii) achievement of an improvement in female representation in leadership positions. The Committee notes that the range is the same as the target range set for last years' award. However, this remains a stretching target and it is important that there is sustained achievement against it, rather than encouraging a spike in a single year. During the year, we plan to broaden the scope of our diversity measure in the wider organisation and will therefore consider the appropriateness of these when developing the targets for next year's LTIP award.

Performance measure	Weighting	Performance targets
Earnings Per Share (EPS)	30%	2% pa (25% vesting) to 8% pa (100% vesting) CAGR over three financial years measured from the 2023/24 financial year end EPS.
Return on Capital Employed (ROCE)	30%	26% in the final year of the performance period (2026/27 financial year) (25% vesting) to 30% (100% vesting).
Relative Total Shareholder Return (TSR)	25%	Median (25% vesting) to Upper quartile (100% vesting) over three financial years commencing with the 2024/2025 financial year relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – emissions reduction	7.5%	Make progress towards achieving our accelerated Scope 1 and 2 net zero targets of 2030, by completing two of our site heating infrastructure projects.  1 project completed by the final year of the performance period (2026/27 financial year) (50% vesting) to 2 projects completed (100% vesting).
Sustainability – percentage of females in senior leadership positions	7.5%	35% in the final year of the performance period (2026/27 financial year) (25% vesting) to 40% (100% vesting). Senior leadership is defined as Leadership Committee, their direct reports and key decision makers.

#### Non-Executive Directors' fees

The Committee and the Board, as appropriate, have reviewed the fees for the Chair and Non-Executive Directors and in line with the Executive Directors, they will increase by 3% for 2024/25, effective from 1 July 2024.

	2023/24	2024/25	% increase
Board Chair	£206,467	£212,661	3%
Additional fee for Deputy Chair	£5,202	£5,358	3%
Basic fee	£57,408	£59,130	3%
Additional fee for Senior Independent Director	£10,000	£10,300	3%
Additional fee for Committee Chair	£10,000	£10,300	3%

Note: The fees shown for 2023/24 and 2024/25 are the annual rates as at 1 July 2023 and 1 July 2024, respectively.

#### Approval

This report was approved by the Committee on 10 June 2024 and has been approved subsequently by the Board for submission to shareholders at the Annual General Meeting to be held on 25 July 2024.

#### ALISON WOOD

##### Chair of the Remuneration Committee

10 June 2024



## SHAREHOLDER INFORMATION

### Financial calendar<sup>1</sup>

11 June 2024	Announcement of preliminary results
11 July 2024	Final dividend ex-dividend date
12 July 2024	Final dividend record date
25 July 2024	Annual General Meeting
30 July 2024	Final dividend DRIP election date
20 August 2024	Final dividend payment date
12 November 2024	Announcement of half-year results
28 November 2024	Interim dividend ex-dividend date
29 November 2024	Interim dividend record date
17 December 2024	Interim dividend DRIP election deadline
10 January 2025	Interim dividend payment date
31 March 2025	Financial year end

1. Please note that the above dates are subject to change.

### Analysis of share register at 31 March 2024

	Total number of holdings	Percentage of holders	Total number of shares	Percentage of issued share capital
<b>By type of shareholder</b>				
Individual	1,480	76.25	3,601,671	6.22
Institutions and others	461	23.75	54,312,121	93.78
<b>By size of shareholding</b>				
1-500	1,165	60.02	198,032	0.34
501-1,000	216	11.13	163,612	0.28
1,001-10,000	303	15.61	969,764	1.68
10,001-100,000	159	8.19	5,674,752	9.8
100,001-500,000	72	3.71	16,008,799	27.64
Over 500,000	26	1.34	34,898,833	60.26
<b>Total</b>	<b>1,941</b>	<b>100.00</b>	<b>57,913,792</b>	<b>100.00</b>

### Annual General Meeting 2024

The 2024 Annual General Meeting of Oxford Instruments plc will be held at the office of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW at 11.00am on Thursday 25 July 2024.

Further details can be found in the Notice of Meeting which has been sent to our shareholders and which is also available on our website at: [www.oxinst.com/investors-content/annual-general-meeting](http://www.oxinst.com/investors-content/annual-general-meeting)

### Shareholder enquiries

Please contact Link Group, our Registrar, using the below details, for all enquiries regarding your shareholding, including updating your address or other contact details, direct dividend payments and amending your communication preferences.

#### Online:

[www.signalshares.com](http://www.signalshares.com)

To register to use this site, you will need your Investor Code (IVC) which can be found on your share certificate or dividend confirmation.

#### By telephone:

+44 (0) 371 664 0300

Calls to the above number are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open 9.00am-5.30pm, Monday to Friday excluding public holidays in England and Wales.

#### By email:

[shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk)

#### By post:

Link Group, Central Square,  
29 Wellington Street,  
Leeds LS1 4DL

### Company information

#### Company name:

Oxford Instruments plc

#### Company number:

00775598

#### Registered office address:

Tubney Woods, Abingdon,  
Oxon OX13 5QX

#### Type:

Public Limited Company

#### Website:

[www.oxinst.com](http://www.oxinst.com)

#### Auditor:

BDO LLP, R+, 2 Blagrove Street,  
Reading, Berkshire RG1 1AZ

## DIRECTORS' REPORT

The Directors present the Annual Report of Oxford Instruments plc for the year ended 31 March 2024.

### Principal activity and business reviews

Oxford Instruments plc ('OI plc') is the ultimate holding company of a group of subsidiary undertakings (the 'Group') which is a leading global provider of technology and expertise to academic and commercial partners. The Directors of OI plc are required to set out in this report a true and fair view of the business of the Group during the financial year ended 31 March 2024, the position of the Group at the end of the financial year and a description of the principal risks and uncertainties facing the Group. The information which fulfils these requirements includes the Operations Review on pages 26 to 33, the Finance Review on pages 58 to 69 and the report on Sustainability on pages 34 to 57, which are incorporated in this report by reference. The operations, the strategic review, the risk management disclosures, the viability statement, the research and development activities and likely future prospects of the Group are reviewed in the Strategic Report on pages 10 to 82.

### Results and dividends

The results for the year are shown in the Consolidated statement of income on page 150. The Directors recommend a final dividend of 15.9p per ordinary share, which together with the interim dividend of 4.9p per ordinary share is a total of 20.8p per ordinary share for the year (2023: 19.5p per ordinary share). Subject to shareholder approval, the final dividend will be paid on 20 August 2024 to shareholders registered at close of business on 12 July 2024.

### Risks and uncertainties

The Board exercises proper and appropriate corporate governance across the Group. It ensures that there are effective systems of internal controls in place to manage shareholders' interests and the Group's assets, including the assessment and the management of the risks to which the businesses are exposed, and to monitor and manage compliance with all the legal requirements that affect the Group's worldwide business activities.

However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Executive Directors report to the Board on changes in the business and in the external environment which may affect the risks which the Group faces. The Executive Directors also provide the Board with financial information at each Board meeting. Key performance indicators are reviewed periodically.

There are a number of risks and uncertainties which may have a material effect on the Group. These are described in Principal Risks on pages 73 to 78.

### Directors

Biographies of all the Directors at the date of this report, including Non-Executive Directors, are set out on pages 86 to 88. During the year ended 31 March 2024 there were a number of changes to the Board, with Ian Barkshire stepping down as an Executive Director and CEO on 1 October 2023, Richard Tyson being appointed as an Executive Director and CEO with effect from 1 October 2023 and Hannah Nichols joining as a Non-Executive Director on 1 January 2024.

### Directors' conflicts of interest

The Companies Act 2006 allows Directors of public companies to authorise conflicts and potential conflicts of interest, where appropriate. Only Directors with no interest in the matter under consideration may participate in the relevant decision and in doing so they must act in a way which they consider in good faith will be most likely to promote OI plc's success. A conflicts policy has been drawn up, which is reviewed as appropriate, and a register of conflicts and potential conflicts is maintained.

### Directors' interests

The beneficial interests of the Directors in OI plc's share capital, all in fully paid up shares at 31 March 2024, are shown above.

Details of share options for the Executive Directors are shown in the Remuneration Report on page 137.

	31 March 2024 Shares	31 March 2023 Shares
Neil Carson	24,000	8,000
Richard Tyson	-	-
Gavin Hill	4,014	2,707
Mary Waldner	1,000	1,000
Alison Wood	-	-
Nigel Sheinwald	-	-
Reshma Ramachandran	-	-
Hannah Nichols	-	N/A

No Director was beneficially interested in the shares of any subsidiary company at any time during the year.

In the year to 31 March 2024, no Director had a material interest in any contract of significance with OI plc or any of its subsidiaries. As of 31 May 2024, there were no changes to the above shareholdings apart from for Gavin Hill who participates in the Oxford Instruments Share Incentive Plan and since the year end had increased his beneficial holding by 15 shares.

### Insurance cover and Directors' indemnities

For a number of years, the Group has purchased insurance to cover its Directors and Officers against their costs in defending themselves in legal proceedings taken against them in that capacity, and in respect of damages resulting from the unsuccessful defence of any proceedings. In addition, to the extent permitted by UK law, the Group indemnifies its Directors and Officers for liabilities arising from such proceedings.

Neither the insurance nor the indemnity provides cover for situations where the Director has acted fraudulently or dishonestly.

### Share capital

OI plc only has one class of share capital, which comprises ordinary shares of 5p each. All shares forming part of the ordinary share capital have the same rights and carry one vote each. There are no unusual restrictions on the transfer of a share.

The full rights and obligations attaching to OI plc's ordinary shares, as well as the powers of the Directors, are set out in OI plc's Articles of Association, a copy of which is available on OI plc's website.



## DIRECTORS' REPORT continued

These can also be obtained from Companies House or by contacting the Company Secretary.

During the year to 31 March 2024, the Board issued 201,284 new shares (2023: 58,053) following the exercise of options under OI plc's share option schemes. At 31 March 2024, the issued share capital of OI plc was 57,913,792 ordinary shares of 5p each. No shares in OI plc were acquired by the company itself during the year (2023: nil). Details of the share capital and options or other awards outstanding as at 31 March 2024 are set out in Notes 25 and 26, respectively, to the Financial Statements.

### Powers in relation to the company issuing or buying back its own shares

At the 2023 AGM, shareholders authorised the company to allot relevant securities: (i) up to a nominal amount of £962,004 (being one-third of OI plc's issued share capital); and (ii) up to a nominal amount of £1,924,008 (being two-thirds of OI plc's issued share capital), after deducting from such limit any relevant securities allotted under (i), in connection with an offer by way of a rights issue. A similar resolution will be put to shareholders at the 2024 AGM save that the second limb of the authority will be proposed for use in connection with any pre-emptive offer and not just an offer by way of rights issue.

In 2023, shareholders also authorised OI plc to purchase its own shares in the market up to a limit of 10% of its issued share capital, being 5,772,026 shares. As noted in the 2023 notice of meeting, the Directors will seek to renew this authority at the 2024 AGM by proposing a further special resolution. This authority will also be limited to a maximum of 10% of OI plc's issued share capital and the resolution will set the minimum and maximum prices which may be paid. The Directors will only purchase OI plc's shares in the market if they believe it is in the best interests of OI plc and shareholders generally and where Directors (i) expect that such a purchase would result in an increase in earnings per share, (ii) consider that OI plc has excess cash, and/or (iii) determine that it is appropriate to increase OI plc's gearing.

### Disapplication of pre-emption rights

At the 2024 AGM, OI plc will seek approval from its shareholders to empower Directors to issue equity securities or sell treasury shares for cash other than to existing shareholders pro-rata to their holdings to the fullest extent permitted by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group ('Statement of Principles').

In addition to offers or invitations in proportion to the respective number of shares held, this equates to the ability for Directors to issue equity securities or sell treasury shares for cash up to 10% of OI plc's issued share capital for general purposes and up to a further 10% of OI plc's issued share capital to be used in connection with an acquisition or specified capital investment of a kind contemplated by the Statement of Principles. In each case, the Directors will seek a power to issue up to a further 2% of OI plc's issued share capital for the purposes of a 'follow-on offer' (also as contemplated by the Statement of Principles) which would enable existing retail shareholders to participate in relevant equity issues.

### Substantial shareholdings

The following are beneficial interests of 3% or more (direct), or of 5% or more (indirect), which have been notified to OI plc, per Chapter 5 of the Disclosure Guidance and Transparency Rules, of OI plc's issued ordinary share capital, the only class of voting capital, at 21 May 2024:

	Direct/indirect	Shares '000	% of total
Blackrock Inc	Indirect	6,479,289	11.19
Columbia Threadneedle Investments	Indirect	5,352,239	9.24
Artemis Fund Managers	Indirect	5,100,140	8.81
abrdn Investment Management	Indirect	3,351,204	5.79
Lady KA Wood and the Estate of the late Sir MF Wood	Direct	2,603,030	4.49

These resolutions are similar to those approved by shareholders at OI plc's 2023 AGM, save that those resolutions empowered Directors in relation to 5% of OI plc's issued share capital respectively and did not include a power for Directors to undertake a follow-on offer. The Directors believe the resolutions being proposed at the 2024 AGM reflect market practice.

### Research and development

Information on the research and development activities of the Group can be found on page 166.

### Branches

Subsidiaries of the company have established branches in a number of different countries in which they operate.

### Payment of suppliers

The Group does not follow a standard payment practice but agrees terms and conditions for its business transactions with each of its suppliers. Payment is then made in accordance with these terms.

### Tax strategy

The Group's tax strategy supports the strategic objectives of the Group and applies equally to both UK and non-UK taxes and to all forms of taxation. The Group pays a significant amount of tax to national and local governments, including taxes on employment, corporate taxes on profits, customs and excise duty on purchases, withholding taxes and environmental taxes. We also administer VAT and similar sales taxes charged to our customers and withholdings on payments made to our employees. The Group's tax strategy is published on the Group's website at [www.oxinst.com/investors-content/tax-strategy](http://www.oxinst.com/investors-content/tax-strategy).

### Charitable donations

During the year, the Group made charitable donations of £5,668 (2023: £5,590).

### Political donations

During the year, the Group made no political donations (2023: nil).

### Disclosure of information to auditor

Pursuant to Section 418(2) of the Companies Act 2006, the Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which OI plc's auditor is unaware; and each Director has taken all the steps that he or she might reasonably have been expected to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that OI plc's auditor is aware of that information.

### Annual General Meeting

The Notice of the Annual General Meeting to be held on 25 July 2024 is set out in a letter to shareholders together with explanatory notes relating to the resolutions.

### Articles of Association

The company's Articles of Association may be amended by a special resolution at a general meeting of the shareholders. The current Articles of Association were adopted by shareholders at the AGM held on 8 September 2020.

### External auditor

A resolution to reappoint BDO LLP as auditor for FY23/24 was passed at the 2023 Annual General Meeting and a resolution to reappoint them as auditor for FY24/25 will be proposed at the 2024 Annual General Meeting on 25 July 2024.

### Change of control arrangements

There are a number of agreements that take effect, alter or terminate upon a change of control of OI plc following a takeover, such as banking agreements and OI plc share plans. On a change of control, OI plc's committed credit facilities may be cancelled by lenders by giving not less than three days' notice. It is also possible that pension plan funding arrangements would need to be changed following a change of control if that resulted in a weakening of the employer covenant.

### Corporate governance

The Board reviews its work on corporate governance in the Governance Report on pages 84 to 143. Pages 20 to 21 summarise how we engage with our stakeholders. Pages 90 to 95 include further details of how we engage with our stakeholders and page 96 includes our statement in accordance with Section 172(1) of the Companies Act 2006.

### Financial risk management

Details of the Group's financial risk management objectives and policies, including the exposure to price, credit and liquidity risk, are set out in Note 23 to the Financial Statements.

### Employees

The Board recognises that its employees are fundamental to the Group's success. The Group's aim is to ensure there are equal opportunities for all employees and that there is an inclusive culture where differences are valued and people are given the environment in which they can do their best work. The Sustainability Report on pages 34 to 57 further describes how diversity and inclusion is managed within Oxford Instruments.

It is the policy of Oxford Instruments plc to give full and fair consideration to applications for employment from disabled persons; to continue, wherever possible, the employment of members of staff who may become disabled; and to ensure that suitable training, career development and promotion of disabled persons takes place.

For further information regarding employee engagement, please see 'How we engage with our stakeholders' on pages 90 to 95.

### Greenhouse gas emissions

To meet the requirements of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, CO<sub>2</sub> emissions are reported on as part of our reporting on greenhouse gas emissions in Sustainability on pages 36 to 38.

### Material events

Apart from the agreement to acquire FemtoTools AG on 7 June 2024, as detailed on page 191, there were no other material events since the year end to report.