
CORPORATE GOVERNANCE



Registered Office

One Bartholomew Close
London
EC1A 7BL
DX 339401 London Wall

50/60 Station Road
Cambridge
CB1 2JH
DX 339601 Cambridge 24

The Anchorage
34 Bridge Street
Reading, RG1 2LU
DX 146420 Reading 21

Grosvenor House
Grosvenor Square
Southampton, SO15
2BE
DX 38516 Southampton
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Board Committees

The Board has established an audit committee, a remuneration committee and a nomination committee with formally delegated duties and responsibilities, as described below.

Audit committee: The audit committee comprises Simon Constantine, Sir Ian Carruthers and Christopher Mills and is chaired by Simon Constantine.

The audit committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, monitoring the need for and if necessary the effectiveness of the internal audit function and overseeing the relationship with the external auditors including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings. The audit committee meets at least twice a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee meets regularly with the Company's external auditors.

Remuneration committee: The remuneration committee is comprised of Sir Ian Carruthers and Simon Constantine and is chaired by Sir Ian Carruthers.

The remuneration committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Executive Chairman, the executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of non-executive Directors is a matter for the chairman and the executive members of the Board. No Director is involved in any decision as to his or her own remuneration. The remuneration committee meets at least twice a year and otherwise as required.

Nomination committee: The nomination committee is made up of independent Directors and is comprised of Sir Ian Carruthers and Simon Constantine and chaired by Sir Ian Carruthers.

The nomination committee is responsible for reviewing the structure, size and composition of the Board and identifying and nominating, for the approval of Board, candidates to fill vacancies on the Board as and when they arise. The nomination committee is tasked with keeping under regular review the role of the Executive Chairman and whether that role should be split between

a non-executive chairman and a CEO. The nomination committee meets at least twice a year and otherwise as required.

Chairman's Statement

The Board are committed to the principles of good corporate governance and believe that an effective corporate governance framework is essential to underpin the success of the business. The Board is committed to achieving the highest standards of integrity, ethics, professionalism and business practice throughout its operations. Therefore, the Company has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (the “**QCA Code**”) in line with the AIM Rules for Companies which require all AIM-listed companies to adopt a recognised corporate governance code and to explain how the company complies with and where it departs from the chosen code. The QCA Code and associated guidance are available on the Quoted Companies Alliance website <https://www.theqca.com/shop/guides/>. A revised QCA Code was published in July 2018 which is effective for accounting periods beginning on or after 1 January 2019.

Listed below are the QCA Code principles required to be disclosed on the Company's website. The Board recognises that the Company does not achieve full compliance with the QCA Code as disclosed below. Those areas of non-compliance will be readily addressed as the Company grows and additional members are added to the Board.

The Board recognises that the Company is not fully compliant with Principle 5 of the QCA Code which requires the Company to have an appropriate balance between executive and non-executive Directors and recommends that the Chairman and CEO positions are separate roles. At present the Company has two independent non-executive Directors, namely Sir Ian Carruthers and Simon Constantine, and Jay LeCoque is joint Chairman and CEO. The Board believes that the balance between the executive and non-executive Directors is sufficient to ensure good corporate governance with a balanced approach to decisions at this time. However, it also recognises that the roles of Chairman and CEO are currently both carried out by the Executive Chairman. The Board will be mindful of this as the Company grows and is in a position to appoint additional directors. The nomination committee of the Board is specifically tasked in its terms of reference with keeping this matter under regular review.

Compliance with the QCA Code

Principle 1: Establish a strategy and business model promoting long-term value for shareholders

The Board is responsible to shareholders for setting the Group's strategy by maintaining the policy and decision-making process around which the strategy is implemented; ensuring that necessary financial and human resources are in place to meet strategic aims; monitoring performance against key financial and non-financial indicators; providing leadership whilst maintaining the controls for managing risk; overseeing the system of risk management; and setting values and standards in corporate governance matters.

The Company's strategy is to grow each of the following four business units (Healthcare Diagnostics, Genomics, Stability Storage, and Infectious Disease Testing) through a combination of organic and inorganic initiatives.

The Directors have identified clear strategic initiatives to generate shareholder value:

- i) To further scale-up COVID-19 Antigen RT-PCR testing capacity and throughput;
- ii) To target organic growth by capitalising on the market and growth opportunities identified in all three of the well-established business units;
- iii) To selectively execute on attractive and relevant acquisition opportunities; and
- iv) To increase its international presence through a combination of organic and acquisitive growth.

The Company intends to pursue organic growth in all four business units, further complemented with suitable acquisitions where appropriate. The Board intends to employ strict capital discipline and a robust filtering process when reviewing acquisition opportunities.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board endeavours to engage in clear and consistent dialogue with both existing and potential Shareholders to understand their needs and expectations, and to ensure that the Company's strategy, business model and progress are clearly understood. The Board also maintains regular contact with its advisers in order to ensure that the Board develops an understanding of the views of the investor community about the Company.

The Board will communicate with Shareholders through:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- trading updates (where required or appropriate);
- the Company's annual general meetings; and
- the investor relations section of the Company's website (in particular, the "RNS News" and "AIM Rule 26" pages).

Unpublished price sensitive information will be disclosed in as timely a manner as possible and within regulatory requirements for disclosure via Regulatory News Services through the stock exchange.

The Board views the Company's annual general meeting as an important forum for communication between the Company and its Shareholders and encourages Shareholders to express their views on the Company's business activities and performance. The Board intends to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

At other times the Chief Financial Officer will be the primary contact for Shareholders and Shareholders can email questions and comments via the Company's Investor Relations agents Walbrook PR sourcebio@walbrookpr.com. Regular meetings will be held between the Executive Chairman, Chief Financial Officer and institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively.

Principle 3: Take in to account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises the importance of corporate social responsibility, and seeks to take account of the interests and feedback from all the Company's stakeholders, including its investors, customers, suppliers, partners and employees when operating the Group's business.

The Board believes that fostering an environment in which employees act in an ethical and socially responsible fashion is critical to its long term success.

The Company will seek to ensure continued engagement with its employees, clients, suppliers, shareholders and the wider public via:

- holding and participating in regular internal and external open forum discussions;
- having processes in place designed to ensure regular dialogue between employees and senior management; and
- technological means, using the functionality of social media platforms and software to gain insights and feedback from its clients, suppliers, partners and the public.

Principle 4: Embed effective risk management, considering both opportunities and threats throughout the organisation

The Company recognises that risk is inherent in all of its business activities and is an important part of the Board's formulation of strategy. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Board is assisted in this matter by the Audit Committee.

The Board routinely monitors risks that could materially and adversely affect the Company's ability to achieve its strategic goals, financial condition and results of operations. The effectiveness and adequacy of mitigating controls are assessed and if additional controls are required, these will be identified and responsibilities assigned. The Board is supported by senior management personnel who collectively play a key role in risk management and regularly report to the Board.

Each year the Company's annual report and accounts will contain a section setting out what the Board considers to be the main risks faced by the Group.

The Group maintains commercial insurance at a level it believes is appropriate against certain risks commonly insured in the industry in which the Group operates.

Principle 5: Maintain the board as a well-functioning, balanced team led by the chair

The Board comprises six Directors, of whom Jay LeCoque and Tony Ratcliffe are executive Directors and Sir Ian Carruthers, Simon Constantine, Christopher Mills and Marco Fumagalli are non-executive Directors. Sir Ian Carruthers and Simon Constantine are independent non-executive Directors.

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties. The Board is responsible for the management of the Company's business (Including formulating, reviewing and approving the Company's strategy, financial activities

and operating performance), for which purpose the Directors may exercise all the powers of the Company. The Directors may delegate such powers to any person or committee as they think fit and those powers may be sub-delegated with the authority of the Directors. The Directors may revoke any delegation of powers.

The Board acknowledges that, in having an Executive Chairman (effectively combining the roles of Chairman and CEO), best practice as stated in the QCA Code is not being followed. In light of the Company's current size and development stage, the Board considers however that the current arrangements are appropriate but will keep this under regular review.

The Board has established audit, remuneration and nomination committees with formally delegated duties and responsibilities. The Executive Chairman does not sit on any of these committees and each committee is currently comprised entirely of non-executive directors, and a majority of independent non-executive directors.

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

The Directors come from a range of backgrounds and have a wide variety of experience and traits which means that the Board as a whole is well balanced and has the skills and other attributes necessary to deliver the Company's strategy. Brief details of the Directors' backgrounds and experience are available in the [About us](#) section of the Company's website.

The nomination committee is responsible for continuing to evaluate the balance of skills, knowledge and experience and the size, structure and composition of the Board and its committees, retirements and appointments of additional and replacement Directors and committee members and making appropriate recommendations to the Board on such matters.

The Company Secretary will provide Directors with updates on key developments relating to the Company, the sectors in which the Group operates, and legal and governance matters (including advice from the Company's broker, lawyers and advisers). The Company Secretary will also support the Chairman and the nomination committee in identifying and addressing the training and development needs of Directors.

Principle 7: Evaluate board performance based on clear and relevant objectives seeking continuous improvement

The Company's process for evaluating the performance of the Board, its committees and individual Directors, will primarily be undertaken by the nomination committee. The

Nomination Committee will regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations and review the results of any Board performance evaluation process that relate to the composition of the Board.

The nomination committee shall also make recommendations to the Board concerning plans for succession for both executive and non-executive Directors and in particular for the current key role of Executive Chairman (and specifically whether that role should be split between a non-executive chairman and a CEO), and any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company (subject to the provisions of the law and their service contract).

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Company is committed to ensuring that the Group operates according to the highest ethical standards and the Board has primary responsibility for achieving this. The Directors believe that the main determinant of whether a business behaves ethically and with integrity is the quality of its people and the Board, together with the Group's HR function, takes great care to ensure that all individuals employed by the Group demonstrate the required high levels of integrity. The Group has also adopted formal policies addressing, *inter alia*, bribery and corruption, the use of social media and dealing in the Company's shares.

The Company strives to be a good corporate citizen and respects the laws of the countries in which it operates. Each year the Company's annual report and accounts will contain a Corporate and Social Responsibility section which will address our people, our values, diversity, employee welfare and involvement, employment, training, career development and promotion of disabled persons, health and safety, ethical and social policies, human rights, product development, impact on the environment, greenhouse gas emission and slavery and human trafficking.

Principle 9: Maintain governance structure and processes that are fit for purpose and support good decision-making by the board

The Board is collectively responsible for the long-term success of the Company and provides leadership to the Company within a framework of effective controls, checks and balances. The Senior management team, led by the Executive Chairman, is responsible for the day to day running of the business, with key decisions (including those considered to directly relate to implementation of the Company's strategy) being reserved for the Board.

In conjunction with senior management, the Executive Chairman is responsible for the execution of strategy approved by the Board and the implementation of Board decisions.

The Board has established an audit committee, a remuneration committee and a nomination committee. Relevant matters are considered by each committee and recommendations are taken to the full Board. Each committee meets at least twice per year and otherwise as required. The role of each committee established by the Board is summarised above.

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

The Board recognises that it is accountable to Shareholders for the performance and activities of the Company and to this end is committed to maintaining good communication and having constructive dialogue with its Shareholders.

The Board communicates with Shareholders in a number of ways, including via:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- trading updates (where required or appropriate);
- the Company's annual general meetings; and
- the investor relations section of the Company's website (in particular, the "RNS News" and "AIM Rule 26" pages).

The Board considers the Company's annual general meeting to be an important forum for communication between the Company and its Shareholders and encourages Shareholders to express their views on the Company's business activities and performance.

A range of corporate information, including annual reports, notices of general meetings and other regulatory announcements, is available to Shareholders, investors and the public in general through the Company's website and can be accessed in the [Investor Relations](#) and [RNS Announcements](#) sections of the Company's website.