

The Quoted Companies Alliance (QCA) Code

The Board recognises that applying sound governance principles in the running of the Group is essential. The Company has adopted the 2023 QCA Corporate Governance Code. An explanation of how the 10 QCA Corporate Governance Code principles are applied by the Company is set out below:

Principle	Application
<p>Establish a purpose strategy and business model which promote long-term value for shareholders</p>	<p>The long-term purpose of the Company is to be the leading provider of walk-through security technology. This aim is underpinned by world class technology with suitable patent protection and growing worldwide acceptance of the technology.</p> <p>The Company's business model and strategy are set out on page 15 of its latest Annual Report ("Annual Report"). In addition, the principal risks and uncertainties identified by the Board to the successful delivery of the Company's strategy, together with the principal controls in place to mitigate those risks, are set out on pages 9 and 10 of the Annual Report.</p> <p>The Board reviews the Company's risk register at least three times a year as part of the external audit and annual and interim accounts processes.</p>
<p>Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The Board and executive management team endeavor to lead by example and to demonstrate the Company values (pioneering, responsive, reputable, accountable and collaborative) at all times. The values underpin the Company's strong ethical culture and influence decision making and behaviours across the Group.</p> <p>Internal policies and practices support this, ensuring no one is discriminated against and that the values are upheld in everything we do. These values are embedded in the Company's internal systems and controls (including its Ethics, Whistleblowing, and Anti-corruption policies and training programmes) and in its HR policies, which collectively define how it behaves as a company.</p> <p>Further details of our approach to embedding these values are set out on page 28 of the Annual Report.</p>
<p>Seek to understand and meet shareholder needs and expectations</p>	<p>The Company is committed to maintaining good relations with all its shareholders and stakeholders through the provision of interim and annual reports, twice-yearly investor roadshows and analyst presentations, and the Annual General Meeting ("AGM").</p>

	<p>The Executive Chairman and Chief Financial Officer meet with the Company's institutional shareholders regularly to discuss the Company's performance, business model and strategy and the feedback from these meetings is reported to the Board.</p> <p>Each Board member attends the Company's AGM where investors are invited to formally and informally field questions and discuss their views with the Board.</p> <p>Our primary means of communicating the Group's corporate governance structure is through our Annual Report, various disclosures made on our website and announcements to the London Stock Exchange. Where specific questions are raised by private individual shareholders and institutional investors, we engage directly with those shareholders.</p>
<p>Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success</p>	<p>The Company recognises that its long-term success relies on maintaining and building strong relationships with its various stakeholders, including in particular, its shareholders, suppliers, customers, and employees. Our engagement with all our stakeholder groups is important in any strategic decision making, with formal and informal feedback from stakeholders being shared at Board meetings and used to inform and influence key matters and decisions made by the Board.</p> <p>The Company is committed to maintaining good employee relationships and employs a range of recruitment, communication and employee engagement initiatives designed to attract, recruit and retain employees. Further details of the Group's employee engagement programme are set out on page 11 of the Annual Report.</p> <p>The Group is driven by a deep understanding of customers' needs and the challenges they must solve. The Group undertakes customer satisfaction surveys and invites key customers to innovation days to generate feedback and inform on future product roadmaps.</p> <p>The Company is committed to maintaining long-term strategic partnerships with key industry suppliers and technology partners. The Group undertakes key supplier visits in the year to discuss scalability, business continuity and environmental considerations.</p> <p>The Company recognises the potential impact of its operations on the environment and examples of how the Company seeks to minimise that impact are set out on page 12 of the Annual Report.</p>

<p>Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation</p>	<p>The principal elements of the Group's system of internal control and assurance activities are set out on page 27 of the Annual Report.</p> <p>In addition, the principal risks and uncertainties the Board believes could have the most significant adverse impact on the Company's business, together with the principal controls in place to mitigate those risks, are set out on pages 9 and 10 of the Annual Report.</p>
<p>Maintain a well-functioning, balanced team led by the Chair</p>	<p>The Executive Chairman is responsible for leading the Board and its governance arrangements. In terms of its size and composition the Company considers its Board sufficiently independent, balanced and to contain a breadth of experience to provide effective oversight of the Group's strategy, performance, resources, and standards of conduct.</p> <p>The QCA Code recommends that an AIM company should have at least two independent Non-Executive Directors with a recommendation that independent Non-Executive Directors should comprise at least half the board. The Company currently has four Directors: Tom Black is Executive Chairman, Richard Amos and Katrina Nurse are independent Non-Executive Directors, and Victoria Balchin is Chief Financial Officer.</p> <p>The Board considers Tom Black, due to his length of tenure and shareholding not to be independent for the purposes of the QCA Code, but his greater depth of experience and knowledge facilitates challenge and provides support to the Executive Directors.</p> <p>Details of the Directors, including their roles, committee memberships, skills and experience and are detailed on the website and can be found on page 14 of the Annual Report.</p> <p>The attendance of Directors at both Board meetings and Board Committee meetings in the last financial year are set out on pages 23 to 26 of the Annual Report.</p> <p>All Board members have confirmed they have sufficient available time to undertake their duties effectively. A register of interests, including external appointments, is maintained by the Company Secretary and any subsequent external appointments require the express approval of the Chair.</p> <p>The Group recognises the benefits of having a diverse Board, senior management team and workforce in general and seeks to recruit and develop the best-qualified candidates to support and achieve the Group's long-term strategic and business objectives.</p>

	<p>The Group monitors and encourages diversity across the whole workforce in terms of gender, skills, culture, disability and ethnicity and believes such diversity contributes to the success of the Group.</p>
<p>Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The Board considers that it benefits from a range of highly experienced individuals, with sector specialist skills and personal qualities and capabilities that can deliver the strategy of the Company. It is satisfied that between its members it has an effective and appropriate balance of skills and knowledge including experience in the areas of technology, engineering, finance, international trading, innovation, sales and marketing.</p> <p>The Executive and Non-Executive Directors' skill sets are complementary, and together provide a blend of commercial, operational and financial expertise. The skill set is suitably broad and sufficiently high calibre such that all decision making at Board level is robust and mindful of the fiduciary responsibilities that need to be discharged to all shareholders.</p> <p>Details of the Company's board and its committees and their key areas of responsibilities and activities, being the audit committee, remuneration committee and nominations committee are set out on pages 21 to 26 of the Annual Report.</p> <p>Each Board member takes responsibility for maintaining their individual skill set, which includes roles and experience with other boards and organisations. They are also aware of the importance of keeping informed of the various activities and developments in the markets in which they operate and attend conferences and training events throughout the year to keep their skills, contacts and knowledge current. Formal training requirements for all Board members are reviewed annually and arranged where appropriate.</p> <p>Details of each Board member's experience, skills and qualifications are detailed on the company website as above. All Directors are able to take independent professional advice, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary.</p>
<p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The Board carries out an annual self-assessment of its performance. This includes an evaluation of the performance and effectiveness of the Board and of its Committees. The process is led by the Chair and involves detailed questionnaires. The results of the evaluation are the subject of a full, robust, and open debate at a meeting of the Board, where actions for improvements are agreed. Progress against these actions is then monitored and reported on throughout the year.</p>

	<p>In 2023, the Board identified two areas of improvement in relation to succession planning and long-term planning for success against which progress has been made during the year. The nomination committee has committed to undertaking a program of succession planning and skill gap analysis.</p> <p>The Non-executive Directors and the Executive Chairman meet regularly throughout each financial year without the presence of the other Executive Directors, during which the performance of Executive Directors is assessed. The Board as a whole considers the performance of the Non-Executive Directors and the Executive Chairman without them being present.</p>
<p>Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture</p>	<p>The Remuneration committee meets regularly throughout the year to establish an effective remuneration policy that underpins long term shareholder value while motivating Executive Directors and senior management to embed the corporate culture and behaviours and while driving the strategy of the business.</p> <p>Details of the key decision made by the remuneration committee can be found on pages 29 and 30 of the annual report.</p> <p>The annual remuneration report is put to an advisory shareholder vote at the AGM. The terms of the long-term incentive plan (LTIP) and save as you earn scheme (SAYE) are also put to shareholder vote at the AGM.</p> <p>The remuneration committee take advice when appropriate from an independent external remuneration consultant and perform market benchmarking exercises regularly.</p>
<p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.</p>	<p>The Company communicates with shareholders through its Annual Report and Accounts, annual and interim announcements, the AGM and individual meetings with shareholders. Key corporate information (including all Company announcements and presentations) is available on the Company's website.</p> <p>The Board receives regular updates on shareholders views through briefings from the Executive Chairman and Chief Financial Officer and the Company brokers, Investec. In addition, the Senior Independent Director is available to meet on an ad hoc basis with the Company's principal shareholders if required.</p> <p>The Company communicates with its institutional investors through briefings with management at least twice a year, coinciding with the Company's annual and interim results and at other times during the year as required. In addition, analysts' notes and brokers' briefings are reviewed to provide insight into investors' views of the Company, its strategy and performance.</p>

AUDIT COMMITTEE

The Company has established an Audit Committee, which comprises, Richard Amos (Chair) and Katrina Nurse.

The Committee meets at least three times each year and at any other time when it is appropriate to consider and discuss audit and accounting related issues. The Audit Committee is responsible for determining the application of the financial reporting and internal control principles, including reviewing regularly the effectiveness of the Company's financial reporting, internal control and risk-management procedures and the scope, quality and results of the external audit.

REMUNERATION COMMITTEE

The Company has established a Remuneration Committee which comprises, Katrina Nurse (Chair) and Richard Amos.

The Committee meets on five scheduled occasions each year and further meetings are held as and when necessary. The Committee reviews the performance of the Executive Directors and senior management and sets the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of Shareholders. In determining the remuneration of Executive Directors, the Remuneration Committee seeks to enable the Company to attract and retain Executives of the highest calibre. The Remuneration Committee also makes recommendations to the Board regarding the award of share options under the company's Long-Term Incentive Plan. No Director is permitted to participate in discussions or decisions concerning their own remuneration.

NOMINATION COMMITTEE

The Company has established a Nomination Committee which comprises Richard Amos (Chair), Katrina Nurse and Tom Black.

The Committee meets on one scheduled occasion each year and further meetings are held as and when necessary. The Committee is responsible for reviewing the structure, size and composition of the Board, preparing a description of the role and capabilities required for a particular appointment and identifying and nominating candidates to fill Board positions as and when they arise.