

Governance

83	Chair's overview	105	Nomination Committee Report
85	Board of Directors	109	Audit and Risk Committee Report
88	Board leadership and company purpose	116	Sustainability Committee Report
88	Corporate Governance statement	119	Remuneration Committee report
89	How we engage with stakeholders	122	Directors' remuneration report
94	Section 172(1) Statement	140	Shareholder information
95	Division of responsibilities	141	Directors' report
100	Composition, succession and evaluation	144	Directors' responsibilities

Chair's overview

Promoting the **sustainable success** of the company



NEIL CARSON
Chair

Governance highlights

- Paul Fry joined the Board as Chief Financial Officer on 1 April 2025, following a robust appointment process.
- Rowena Innocent joined the Board as a Non-Executive Director, effective 17 February 2025, and will serve as a member of the company's Audit and Risk, Nomination, Remuneration and Sustainability Committees.
- Oversight of significant progress with the execution of the redeveloped strategy and purpose.
- 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 2025. 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.

Strategy and purpose

As noted in the 2024 Annual Report, one of the most important areas of focus for the Board was the redevelopment of our strategy and purpose. 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. During the year to 31 March 2025, the Board focused on monitoring the execution of this strategy and I am pleased to report that our strategic actions to target enhanced growth and profitability through customer-first ways of working have gained real traction and have started to generate many of the outcomes we set out to achieve. The delivery of our strategic programme has also enabled us to identify further growth and margin opportunities, giving scope to build on progress already made.

For more information, see Our purpose-led approach on pages 7 and 8, Our Strategy on pages 29 to 32, the Chief Executive Officer's review on pages 11 to 20 and the case studies on pages 33 and 34.

Chair's overview continued

Positive progress

It has been a year of positive progress at Oxford Instruments, culminating in an excellent set of results which underline our confidence in the mid-term outcomes set out in last year's strategic update and in Richard's review on page 12.

A year on, we have streamlined our divisional structure, begun our operational transformation and completed our regional pivot, while continuing to focus on our core strengths. The sale of our quantum-focused business NanoScience is consistent with our strategy to focus and invest in the best areas of opportunity to create value for shareholders. Through these actions, we are creating a simpler, sharper and more commercially focused organisation, to put ourselves in the best possible shape to fulfil our strong potential. The revenue, profit and margin growth we have achieved demonstrate that we are heading in the right direction.

Board composition and succession planning

It is essential that our Board's composition encompasses the necessary skills, knowledge and experience to provide effective leadership. Our Nomination Committee actively keeps the constitution of the Board and its Committees under review and 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 2024, after having served on the Board for almost nine years, Mary Walden stepped down as a Non-Executive Director of the company with effect from 4 February 2025. Ahead of this departure in relation to her tenure and independence, the Board, supported by the Nomination Committee, appointed Hannah Nichols as a Non-Executive Director with effect from 1 January 2024. Hannah took up the role of Chair of the Audit and Risk Committee with effect from 25 July 2024 as part of the planned transition from Mary.

Rowena Innocent was appointed as a Non-Executive Director of the company with effect from 17 February 2025. Rowena has over 30 years' experience in high-tech product design and manufacturing and the Board will benefit from her deep technical understanding combined with her commercial acumen.

On 31 March 2025, Gavin Hill stepped down as Chief Financial Officer and was succeeded in this role by Paul Fry. Paul has a strong track record in senior positions at international healthcare and technology companies, having held the role of CFO, most recently at Argenta Group. The Board appreciates the very significant contribution Gavin has made to the success of Oxford Instruments over nearly nine years.

Reshma Ramachandran stood down as a Non-Executive Director with effect from 25 July 2024, due to her appointment in a new executive role externally, which would have restricted the time she had available to commit to her role with the company. The Board thanks Reshma for the valuable contributions she has made during her time as a Director.

Further information regarding the work of the Nomination Committee can be found on pages 105 to 108.

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 enables us to more effectively consider their interests when we are making decisions. 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, full-Board site visits to our Severn Beach site in Bristol and our Andor Technology site in Belfast, as well as 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 2025/26.

To find out more about our approach to stakeholder engagement, please see the 'Engaging with our stakeholders' section on pages 27 to 28 and the 'How we engage with our stakeholders' section on pages 89 to 93.

Annual General Meeting

The 2025 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 Monday 28 July 2025.

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. 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

12 June 2025

Board of Directors

Strength in our leadership

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:

- Reshma Ramachandran stepped down as a Non-Executive Director on 25 July 2024.
- Mary Waldner stepped down from the role of Chair of the Audit and Risk Committee with effect from 25 July 2024 and stepped down from the Board on 3 February 2025.
- Hannah Nichols took up the role of Chair of the Audit and Risk Committee with effect from 25 July 2024.
- Rowena Innocent was appointed as a Non-Executive Director on 17 February 2025.
- Gavin Hill stepped down as CFO and Executive Director on 31 March 2025.
- Paul Fry was appointed as CFO and Executive Director on 1 April 2025.

Committee Membership

- A Audit and Risk Committee Member
- R Remuneration Committee Member
- N Nomination Committee Member
- S Sustainability Committee Member
- C Chair of Committee

Neil Carson
Chair

Appointed to the Board:
1 December 2018

Non-Executive
Independent: No¹



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.

Committee Membership

N R S

Richard Tyson
Chief Executive

Appointed to the Board:
1 October 2023

Executive
Independent: No



Skills and experience:

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. He 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.

External appointments:

Senior Independent Director of Videndum plc.

Committee Membership

None

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

Paul Fry

Chief Financial Officer

Appointed to the Board:
1 April 2025

Executive

Independent: No



Skills and experience:

Paul has a strong track record in senior positions at international healthcare and technology companies, having held the roles of CFO, most recently at Argenta Group and previously at Vectura plc and Immunocore Limited. With a career spanning more than 35 years, Paul has also held a number of senior roles at Vodafone and GlaxoSmithKline. He brings a wealth of highly relevant experience in business transformation, a clear understanding of Oxford Instruments' growth drivers, and a shared commitment to our purpose and values-led approach. Paul holds a BA in Philosophy, Politics and Economics from the University of Oxford and is an associate of the Chartered Institute of Management Accountants.

Paul's previous roles include serving as the Chief Financial Officer at Argenta Group Limited, as the Chief Financial Officer with a period as acting Chief Executive Officer at Vectura Group plc and as the Chief Financial Officer at Immunocore Limited.

External appointments:

Non-Executive Director and Chair of the Audit Committee of Avacta Group plc.

Committee Membership

None

Alison Wood

Senior Independent Director

Appointed to the Board:
8 September 2020

Non-Executive

Independent: Yes



Skills and experience:

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 TT Electronics plc, 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.

External appointments:

Non-Executive Director and Chair of Galliford Try Holdings plc.
Senior Independent Director of Morgan Advanced Materials plc.

Committee Membership

ANRS

Rowena Innocent

Non-Executive Director

Appointed to the Board:
17 February 2025

Non-Executive

Independent: Yes



Skills and experience:

Rowena is currently a consultant for AcoustoFab Ltd, which aims to create precision-driven, sustainable solutions that address real-world challenges across sectors such as lab automation, 3D printing and agritech. She also serves as a member of the Advisory Council at the National Composite Centre, and the Digital Program Expert Group for the DSIT National Measurement System, and is an Aegis Professor for Technology, Innovation and Equality and Chair of the IAB School of Physics at the University of Bristol. Rowena has over 30 years' experience in high-tech product design and manufacturing. She is a Chartered Engineer and holds a degree in Physics with Astrophysics from the University of Leicester. Prior to her current role, Rowena served as the Chief Operating Officer of Ultraleap Limited. She has also held the position of Group Head of STEM strategy at Spectris as well as a range of engineering leadership roles with Malvern Panalytical (a Spectris company), General Electric and Druck.

External appointments:

Consultant at AcoustoFab Ltd.

Committee Membership

ANRS

Board of Directors continued

Sir Nigel Sheinwald Non-Executive Director

Appointed to the Board:
22 September 2021

Non-Executive

Independent: Yes



Skills and experience:

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).

External appointments:

Non-Executive Director of Invesco Ltd.

Visiting Professor at King's College, London.

International Advisory Board member of BritishAmerican Business.

Advisory Board member of Centre for European Reform, London.

Committee Membership

ANRS

Hannah Nichols Non-Executive Director

Appointed to the Board:
1 January 2024

Non-Executive

Independent: Yes



Skills and experience:

Hannah is currently Chief Financial Officer of Coats Group plc, a world leader in thread manufacturing and structural components for apparel and footwear, as well as an innovative pioneer in performance materials and a constituent of the FTSE 250 index on the London Stock Exchange, a role she has held since May 2025. 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 held the role of Chief Financial Officer of Hill & Smith PLC, and prior to this, had a successful 15-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 also held a number of commercial roles at Cable & Wireless plc and qualified as a chartered accountant at Arthur Andersen. Hannah's expertise demonstrates how she is well suited to the role of Chair of the Audit and Risk Committee, a role which she has held since July 2024.

External appointments:

Chief Financial Officer of Coats Group plc.

Committee Membership

ANRS

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 88 to 104, and each Director's biographical information is set out in the Board biographies on pages 85 to 87.

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 pages 11 to 14.

For more information on our purpose, see pages 7 and 8 and for more information on our strategy, see pages 29 to 34.

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 27 to 28 and 89 to 94.

Corporate Governance statement

for the year ended 31 March 2025

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 2025.

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. 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 2025, 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 page 114.
- Share capital information can be found in the Directors' Report on page 142.
- Details of the composition of the Board and its Committees can be found on page 96.
- Our Board diversity policy is described on page 107.

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 Interim Company Secretary.

NEIL CARSON
Chair

LOUISE MEADS
Interim Company Secretary

12 June 2025

How we engage with stakeholders

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

Our approach to engagement

On pages 27 and 28 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 / [Page 28](#)

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
Customers We put our customers' needs at the centre of our conversations and decision making. 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.	<ul style="list-style-type: none"> Excellent customer support and engagement throughout the buying cycle. High-quality products and technical expertise. Products which deliver value and help to meet their objectives. Remote access and continuity of supply during disruption. 	<ul style="list-style-type: none"> 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. The Board considers feedback from these meetings, together with, for example, outputs from our heightened customer intimacy such as customer trends. 	<ul style="list-style-type: none"> Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress. Continuing to invest in R&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. 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. 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&D and increase productivity in high-tech manufacturing. 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. We have continued to refine our service offering with digital connectivity helping to maintain productivity through remote access and service. 	<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 / Pages 29 to 34</p>

How we engage with 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
Employees Our employees are the foundation of our business success, and we have a responsibility to support their health, wellbeing and development. 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.	<ul style="list-style-type: none"> Development and progression opportunities. Health, safety and wellbeing. Fostering an inclusive workplace. Understanding how they contribute to our strategy and success. Fair and consistent remuneration. Clarity of expectation on how recognition and remuneration structures align with accountabilities. 	<ul style="list-style-type: none"> 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 camera and microscopy facility in Belfast. 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. We continue to promote our 'Push for Zero' health and safety programme and Shield reporting system. 	<ul style="list-style-type: none"> 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 2025/26. The Remuneration Committee reviewed the wider workforce remuneration landscape and related policies, and considered these when setting Executive Director and Management Board remuneration. We have continued to promote observation reporting, aiming to ensure that remedial actions can be taken to prevent accidents from happening. The Sustainability Committee considered our maturing approach and internal targets and measures relating to equality, diversity and inclusion. 	<p>Decisions relating to our social sustainability agenda, from health, safety and wellbeing to investment in our people.</p> <p>➔ See the Sustainability Report / Pages 45 to 68 and</p> <p>➔ Sustainability Committee Report / Pages 116 to 118</p> <p>Setting Executive Director and Senior Leadership Team remuneration.</p> <p>➔ See the Directors' Remuneration Report / Pages 119 to 139</p>
Shareholders 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. Our goal is to deliver shareholder returns through profitable, sustainable growth with strong cash conversion and efficient use of capital.	<ul style="list-style-type: none"> Current and future financial performance. Communication and engagement. Sustainability. 	<ul style="list-style-type: none"> We actively engage with shareholders throughout the year to ensure they understand the performance of the business. Following the launch of our strategy in June 2024, we held a well-attended capital markets day for analysts and shareholders at our new compound semiconductor facility. 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. 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 and strategy. Our externally appointed IR specialist increases the bandwidth available to meet and inform a broader range of new shareholders. 	<ul style="list-style-type: none"> 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. 	<p>Developing and delivering against our strategy.</p> <p>➔ See our strategy / Pages 29 to 32</p> <p>Implementation of the Directors' Remuneration Policy.</p> <p>➔ See the Directors' Remuneration Report / Pages 119 to 139</p> <p>Consideration and decisions relating to our wider sustainability agenda, from inclusion to setting net zero targets.</p> <p>➔ See the Sustainability Report / Pages 45 to 68 and</p> <p>➔ Sustainability Committee Report / Pages 116 to 118</p>

How we engage with 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
Suppliers Our supply chain plays a vital role in supporting sustainable growth and efficiency across the business. 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. Engaging with our supply chain is also crucial in the development and delivery of our net zero commitment.	<ul style="list-style-type: none"> Long-term partnerships. Visibility of the wider supply chain, so that they can best forecast future requirements. Strong relationships built on trust and respect. 	<ul style="list-style-type: none"> 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 meets our strict environmental compliance requirements, 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. The Board remains mindful of potential supply chain challenges and where appropriate, will be briefed as regards any necessary work to mitigate the impacts of these challenges. 	<ul style="list-style-type: none"> As part of our operational excellence programme, we continue to work to strengthen our supply chain by executing a procurement strategy focused on leveraging our scale and building long-term strategic relationships with fewer suppliers. During the year, our Chief Transformation Officer took on the permanent role of Chief Operating Officer with a remit which includes supply chain best practice. We have continued to develop our supplier due diligence and audit procedures, including engaging a leading compliance partner to support our collection and assessment of data. 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. 	<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 45 to 68 and</p> <p>➔ Sustainability Committee Report / Pages 116 to 118</p>
Local communities 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.	<ul style="list-style-type: none"> The environment. Local small businesses. Schools and colleges within their region. Volunteering opportunities. Charitable donations. The appearance and tangible impact of our sites and operations. 	<ul style="list-style-type: none"> We actively engage in locally focused activities that make our communities and environments a better place to live and work. 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 post-doctoral placements. We aim to support the small, independent businesses near our sites. We help our employees to support their local communities through charitable donations. 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. 	<ul style="list-style-type: none"> 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. 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. We have facilitated collections of contributions to local food banks and fundraising activity for local charities and causes. We are committed to minimising emissions. 	<p>Decisions relating to our wider sustainability agenda, from community impact to supporting next-generation talent.</p> <p>➔ See the Sustainability Report / Pages 45 to 68 and</p> <p>➔ Sustainability Committee Report / Pages 116 to 118</p>

How we engage with 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
Society 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. 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.	<ul style="list-style-type: none"> Protecting and enhancing the environment. Addressing the impacts, risks and opportunities arising from climate change. The development of new and affordable vaccines and treatments for diseases. Fostering a more connected world. Enabling advances in technology. 	<ul style="list-style-type: none"> Our technology and scientific expertise enable our customers to discover and bring to market exciting new advances that drive human progress. We use our market intimacy to develop new products and services in pursuit of our purpose. We engage directly with universities, governments and leading companies to explore and develop new ideas, and to support productivity. 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. 	<ul style="list-style-type: none"> Our sites and grounds are well maintained and sensitive to the local environment and wildlife. We continue to develop new products and services, as set out in the CEO review on page 19. 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. 	<ul style="list-style-type: none"> ➔ See our Sustainability Report / Pages 45 to 68 ➔ Information on the work of the Sustainability Committee / Pages 116 to 118

How we engage with stakeholders continued

Principal decision case study

Augmenting our materials analysis capabilities

A key development during the year was the acquisition of FemtoTools AG, agreed on 7 June 2024, and completed on 28 June 2024.

Based in Zurich, Switzerland, FemtoTools specialises in nanoindentation, a technique used to image the mechanical properties of intricate microstructures for materials research and semiconductor applications. The company joined Oxford Instruments' Imaging & Analysis division, where its products are now sold in conjunction with the Group's existing range of materials analysis tools, including electron microscope micro-analysers and Raman microscopes.

The Board was pleased to approve the addition of FemtoTools to the Group, in particular since the acquisition has brought capabilities not previously held by Oxford Instruments. In making their decision, Board members considered the opportunities and risks to key stakeholder groups of proceeding with the transaction. Detailed financial projections were secured, and growth plans set out, in order to identify the likely impact on the Group's revenue and, by extension, the interests of shareholders. Given the complementary nature of FemtoTools' offering to the existing suite of techniques offered by the Imaging & Analysis division, the Board was satisfied that management had developed a strong business case focused on the companies' shared end markets and customer bases.

Both the Board and management were mindful of the impact on FemtoTools' employees of becoming part of Oxford Instruments and, in parallel, the impact that assimilating new colleagues and new technology into the Group would have on the Imaging & Analysis and sales and service teams around the world. Care was taken with in-person briefings and ongoing engagement to ensure the benefits for both were clear. Several key members of the Imaging & Analysis leadership team, together with additional colleagues with relevant expertise, travelled to Zurich to support the announcement of the acquisition, and an extensive integration plan has been implemented since completion.

News of the acquisition, announced as part of the Group's annual results presentation, was well received by analysts and shareholders. Customers and prospective customers have also welcomed FemtoTools' decision to become part of Oxford Instruments, and the expansion of our materials analysis capabilities. The business has performed well during the reporting year, with further ambitious growth plans set out for 2025/26.

➔ Read more about our nanoindentation capabilities at www.femtotools.com



Section 172(1) Statement

During the year to 31 March 2025, 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 89 to 93.

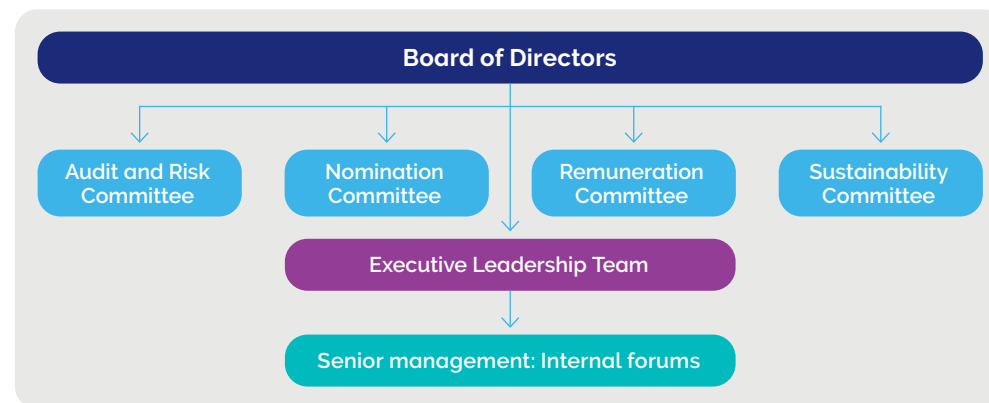
Additional information demonstrating how the Board has had regard to the factors set out in Section 172(1) of the Companies Act 2006

Matters per Section 172(1)(a) to (f) of the Companies Act 2006	Key example(s)	Page number
Consequences of any decision in the long term	Our purpose-led approach	7 and 8
	Our strategy	29 to 32
	Risk management	69 to 78
Interests of employees	Employee engagement	61 and 90
	Our purpose-led approach	7 and 8
	Sustainability	45 to 68
Fostering business relationships with suppliers, customers and others	Engagement with suppliers	91
	Engagement with customers	89
	Supply chain practices	67
Impact of operations on the community and the environment	Sustainability	45 to 68
	Our purpose-led approach	7 and 8
Maintaining a reputation for high standards of business conduct	Our purpose-led approach	7 and 8
	Compliance	67 and 68
	Anti-bribery and anti-corruption	67
	Human rights and modern slavery	68
	Privacy and data protection	68
	Data security	68
	Whistleblowing	114
	Export Control Policy	67
Acting fairly between members	Shareholder engagement	89 to 93
	Shareholder information	140

Division of responsibilities

Our governance structure

The structure shown on the right 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 Executive Leadership Team 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 forms part of its governance reference materials; these are reviewed and amended by the Board periodically.
- Certain matters are delegated to its Committees and the day-to-day running of the business to the Executive Directors and the Executive Leadership Team.
- Collectively responsible for engagement with the workforce.

Board Committees

- There are four dedicated Committees: Audit and Risk, Nomination, Remuneration, and Sustainability.
- In June 2025, the Board appointed a Disclosure Committee to deal with the management of inside information in accordance with the UK Market Abuse Regulation.
- With the exception of the Disclosure Committee, all Committees comprise Non-Executive Directors and meet the independence requirements set out in the UK Corporate Governance Code 2018.
- The Committees are 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/corporate-governance. A summary of the key responsibilities of each Committee is set out in their respective reports included within this Annual Report.

Executive Leadership Team

- The Executive Leadership Team is responsible for the day-to-day running of the business of the Group, where delegated by the Chief Executive Officer.
- The team meets at least monthly and focuses on Group-wide performance, strategy and risk management.

Senior management: Internal forums

- Senior management and internal forums report to the Executive Leadership Team either directly or indirectly.
- They lead internally on delivering the objectives delegated by management as well as workstreams which encompass our sustainability strategy via the Sustainability Leadership Forum.

Division of responsibilities continued

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

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

Chair

- The Chair leads the Board, promotes high standards of governance and ensures the Board is effective in directing the company.
- He ensures that the Board has effective decision-making processes and applies appropriate challenge to the Executive Directors.
- He sets the agenda of the Board and facilitates participation and engagement by all Directors in Board meetings.
- He ensures that there are good information flows from the Executive to the Board, and from the Board to the company's key stakeholders.
- He leads an annual Board effectiveness review and is responsible for ensuring all new Directors have an appropriate tailored induction programme.

Chief Executive Officer

- The Chief Executive Officer is responsible for the day-to-day running of the Group and ensuring the Board's decisions are implemented.
- He leads the development of strategy for approval by the Board as well as working with the Chief Financial Officer to develop budgets and medium-term plans to deliver the agreed strategy.
- He is responsible for providing regular reports to the Board on all matters of significance to ensure that the Board has accurate, clear and timely information on all key matters.

Senior Independent Director

- The Senior Independent Director acts as a sounding board to the Chair and supports delivery of their objectives.
- She is available to the other Non-Executive Directors, including acting as an intermediary if necessary.
- She is also available to the company's shareholders.
- She leads the evaluation of the Chair on behalf of the other Directors.

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 2025, 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 Non-Executive 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, 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	4/4	5/5	4/4
Richard Tyson	9/9	N/A	N/A	N/A	N/A
Gavin Hill ¹	8/9	N/A	N/A	N/A	N/A
Alison Wood	9/9	5/5	4/4	5/5	4/4
Mary Waldner ²	6/6	5/5	4/4	5/5	4/4
Sir Nigel Sheinwald	9/9	5/5	4/4	5/5	4/4
Reshma Ramachandran ³	2/2	1/1	1/1	1/1	1/1
Hannah Nichols	9/9	5/5	4/4	5/5	4/4
Rowena Innocent ⁴	2/2	1/1	N/A	1/1	1/1

1. Gavin Hill did not attend the meeting held to discuss arrangements and approvals relating to his stepping down from the Board and the appointment of Paul Fry.

2. Stepped down from the Board on 4 February 2025.

3. Stepped down from the Board on 25 July 2024.

4. Appointed to the Board on 17 February 2025.

Division of responsibilities continued

Directors' continuous development and access to advice

The Chair is responsible for ensuring that all 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 101.

Stakeholders considered key:

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

Stakeholder engagement

The Board is committed to developing its understanding of the views of its key stakeholders. In addition to the direct engagement described on page 90, there is also significant engagement by senior management and throughout the company.

During the year, the Board has been collectively responsible for workforce engagement and has not designated a specific Non-Executive Director. 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 27 and 28 regarding 'Engaging with our stakeholders' and pages 89 to 94 regarding 'How we engage with our stakeholders' for more information, including the Board's Section 172(1) statement. The Board considers that these mechanisms for workforce engagement have been effective, however this will be kept under review in the coming year.

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.

THEME Strategy, performance and operations	
Key areas of focus and discussion	Stakeholders considered
Annual dedicated strategy review session and across a range of meetings, with a focus on progress with implementation of agreed strategy	1 2 3 4 5 6
Regularly reviewed business development activities and the acquisition proposal pipeline, including approval of the acquisition of FemtoTools AG	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

THEME Finance, reporting, risk management and controls	
Key areas of focus and discussion	Stakeholders considered
Monitored progress against the 2024/25 financial plan and reviewed and approved the 2025/26 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
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

Division of responsibilities continued

Stakeholders considered key:

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

THEME Leadership and people	
Key areas of focus and discussion	Stakeholders considered
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	3
Completed the recruitment process for a new Non-Executive Director resulting in the appointment of Rowena Innocent, effective 17 February 2025	2 3
Concluded the succession process regarding our change of Chief Financial Officer, with Paul Fry succeeding Gavin Hill as Chief Financial Officer with effect from 1 April 2025	2 3
Reviewed the outputs and actions resulting from the 2024 employee survey	2
THEME Governance and responsible business	
Key areas of focus and discussion	Stakeholders considered
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 Andor facility, 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 external Board performance review and agreed an action plan for 2025/26. Reviewed progress against the 2024/25 internal Board evaluation action plan	3
Regular meetings without the Executive Directors present	3
Regular meetings with our external auditors, 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	1 2 3 5 6

Division of responsibilities continued

Board independence

At the conclusion of the financial year, the Board comprised seven Directors, including the Chair (who was considered independent upon appointment to the Board), four 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 85 to 87. Changes to Directors' commitments during the year are noted in the table to the right.

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. 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
Neil Carson	Resigned as a Director of The Goldsmiths Company Charity	May 2024
Alison Wood	Appointed as Senior Independent Director of Morgan Advanced Materials plc	November 2024
	Resigned as Non-Executive Director and Chair of the Remuneration Committee of TT Electronics plc	May 2025
Nigel Sheinwald	Stepped down as a Senior Adviser to the Universal Music Group	August 2024
	Stepped down as Chair of the Royal Institute of International Affairs (Chatham House)	September 2024
Hannah Nichols	Stepped down as Chief Financial Officer of Hill & Smith plc	January 2025
	Appointed as Chief Financial Officer of Coats Group plc	April 2025

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

Evaluate Board composition and determine required capabilities of proposed appointee	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.
Advertise role and determine long list of potential candidates	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.
Refine short list of potential candidates and complete interviews	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 and senior management, as appropriate.
Consideration and approval by Nomination Committee	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.
Consideration and approval by Board	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 2024 AGM, all Directors on the Board at that time were reappointed by shareholders with majority votes ranging from 96% to 100%.

On 17 February 2025, Rowena Innocent was appointed to the Board as a Non-Executive Director and on 1 April 2025, Paul Fry was appointed to the Board as an Executive Director in his capacity as Chief Financial Officer. Both Paul and Rowena will stand for election for the first time at the company's 2025 AGM.

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 85 to 87. More information regarding the Board and the Director performance review process is set out on pages 101 and 102.

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

Induction of Paul Fry as Chief Financial Officer

Paul Fry joined the company in January 2025 as Chief Financial Officer Designate and was appointed to the Board with effect from 1 April 2025. During the three months whilst he was the CFO Designate, he immersed himself in getting to know the business first hand, meeting key stakeholders including customers, shareholders and colleagues around the world.

"I am delighted to have joined Oxford Instruments. The opportunity since January to spend time in the business before taking on full CFO responsibilities at the beginning of April has been really valuable. I'm really grateful for the warm welcome from our teams across all the sites I've visited. I've been impressed by the incredible products in our portfolio, and the opportunities for us to continue to grow both revenues and margin in the years to come."

Highlights from Paul's first three 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, Europe, Japan and the US, which provided opportunities to hear from a wide range of colleagues across our organisation and gain a first-hand insight into the working practices at our sites;
- visits to labs at four key US academic customer sites, seeing our products in action and listening to customer feedback;
- deep dive reviews including the business divisions, transformation programme, medium-term financial plans, investor relations, finance organisation, M&A pipeline, risk management and internal control;
- meetings with external advisers including corporate brokers, external counsel and the auditor; and
- 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.



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 97.

Board composition

The Board, via the Nomination Committee, keeps under 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 105 to 108.

Annual Board Performance Review

The Board recognises the need to 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 2023/24: 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:

- enhanced its approach to risk management;
- 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 visits to our new compound semiconductor site at Severn Beach and our Andor Technology site, as well as 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.

Composition, succession and evaluation continued

External Board Performance Review 2024/25: Process

This year, the Board completed an externally facilitated performance review. The review was facilitated by Round Governance Services, who are independent of the company and are a signatory to the Chartered Governance Institute Code of Practice for Board Reviewers. Round Governance Services are experienced in performing board performance reviews for listed companies and also conducted the review for FY2021/22 against which the 2024/25 review could be benchmarked. The review covered the overall performance of the Board and in doing so considered if the Board as a whole, is fulfilling its purpose and objective. The review sought the views of the Directors and the Company Secretary. The process included:

- discussions between Round Governance, the Chair and the Company Secretary to agree the scope of the review and focus areas. The Company Secretary was responsible for providing all requested reports to Round Governance Services;
- a review of relevant documents;
- online targeted board performance review questionnaire;
- Board meeting observation;
- one-to-one meetings with all Directors;
- observations and recommendations report prepared;
- findings and recommended actions presented to the Board by Round Governance; and
- Board discussed the report and agreed actions to be implemented.

External Board Performance Review 2024/25: Outcomes and actions

The review identified that there is a clear strategic vision for the company and the Non-Executive Directors are engaged and motivated to add value. The Chief Executive Officer is well respected by the Board who recognise the experience and value he brings. There is a strong understanding of the company's stakeholders and stakeholder interests are habitually considered in the Board's decision making. At the time of the review, it was recognised that technical expertise had been lost when Richard Friend stepped down at the end of his nine-year tenure. This has been addressed through the appointment of Rowena Innocent on 17 February 2025. There are no plans to refresh Board composition as a result of the review.

The Board developed and agreed an action plan for the year ahead, highlights from which include:

- additional Board time dedicated to deep dives of key elements of the strategy at each Board meeting;
- more visibility of and engagement with the Senior Leadership Team who will present to the Board on their areas of responsibility, along with more informal engagement with Directors outside of Board meetings; and
- development of the Board's knowledge and understanding of technology and the investment pipeline through sessions at Board meetings delivered by subject matter experts.

Induction of Rowena Innocent as Non-Executive Director

Rowena Innocent was appointed to the Board with effect from 17 February 2025 and has undertaken a full and formal induction, tailored to her needs.

"I am delighted to have joined Oxford Instruments as Non-Executive Director and have thoroughly enjoyed learning about the technology and meeting the teams during my visits to Tubney, High Wycombe and Severn Beach. I have been most impressed by the energy and enthusiasm for progressing both technical and operational excellence across the business."

Key features of Rowena's tailored induction programme included:

- one-to-one sessions with the Executive Directors to gain an in-depth understanding of the business;
- sessions with members of the Executive Leadership Team to develop an understanding of their roles and responsibilities;
- visits to our sites at Tubney Woods, High Wycombe and Severn Beach;
- legal briefing session with external 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, Chief HR Officer, Group Head of Tax, Chief Information Officer and the Head of Internal Audit; and
- introductions to the company's key advisers including its auditor, UK corporate counsel and remuneration consultant.



Composition, succession and evaluation continued

Board skills, experience and diversity characteristics

The Board is committed to promoting diversity and inclusion on the Board. 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 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 in the table on the right and the charts on the following page 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.

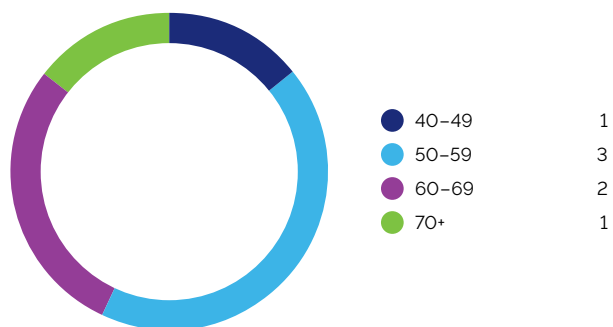
The Board diversity policy and our plans and progress in line with the recommendations of the FTSE Women Leaders Review and the Parker Review, respectively, are described in the Nomination Committee Report on pages 107 to 108.

Board skills and experience

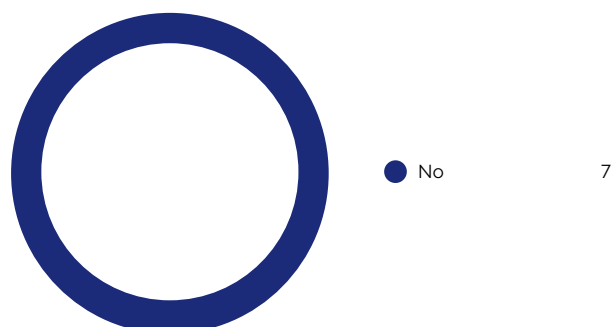
Specific skill, experience or expertise	Number of Directors identifying as having specific skill, experience or expertise					
Chairmanship	2					
Listed Company Executive directorship(s)		4				
Listed Company Non-Executive directorship(s)			5			
Financial expertise	3					
Financial reporting experience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

Composition, succession and evaluation continued

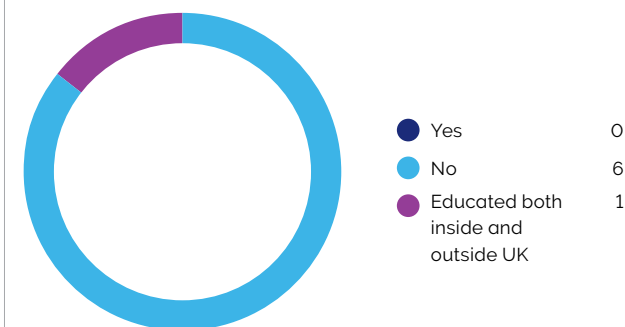
Age



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



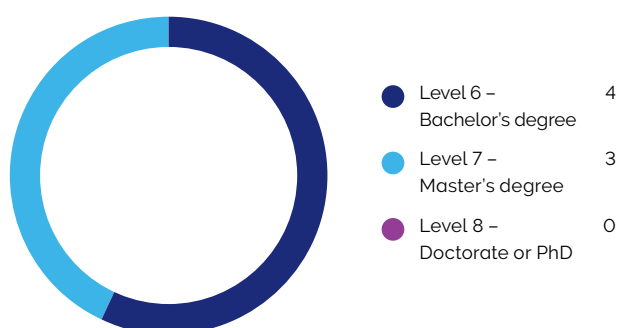
Were you educated outside the UK?



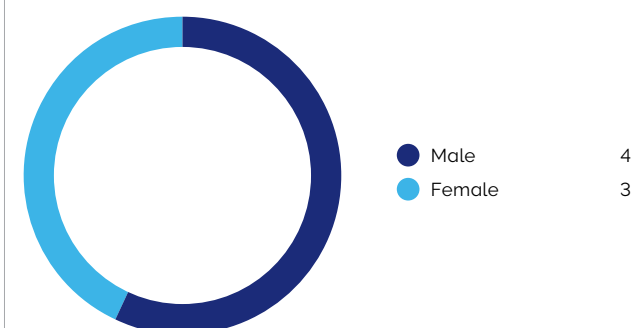
What is your ethnic group?



What is your highest level of educational attainment?



Board gender diversity



Nomination Committee Report



Committee membership

The current members of the Committee are:

Neil Carson (Chair), Alison Wood, Sir Nigel Sheinwald, Hannah Nichols and Rowena Innocent.

Changes to Committee membership:

Reshma Ramachandran and Mary Waldner stepped down as members of the Committee upon their resignations from the Board on 25 July 2024 and 3 February 2025, respectively. Rowena Innocent joined as member of the Committee upon her appointment to the Board on 17 February 2025.

For details of attendance at Committee meetings during the financial year, see page 96. For the biographies of all Committee members, see pages 85 to 87.

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2025.

The Committee has again focused on succession planning and executing those plans during the year with a number of changes to the composition of our Board.

We were pleased to have concluded the succession process regarding our change of Chief Financial Officer, with Paul Fry succeeding Gavin Hill as Chief Financial Officer with effect from 1 April 2025. The Board is thankful for the very significant contribution Gavin has made to the success of the company over nearly nine years and for his strong stewardship of the Company's finances, shaping our growth and building the foundations for ongoing success. Paul has a strong track record in senior positions at international healthcare and technology companies, having held the role of CFO, most recently at Argenta Group. To support a smooth transition, Paul joined the company on 9 January 2025, initially in a non-Board role, and Gavin will remain actively involved with the company until June 2025.

For more detail regarding remuneration arrangements applicable to Gavin's retirement and Paul's appointment to the Board, see the Directors' Remuneration Report on pages 120 and 135.

After completing a rigorous search process, we were pleased to recommend that the Board appoint Rowena Innocent as a Non-Executive Director with effect from 17 February 2025. Rowena has over 30 years' experience in high-tech product design and manufacturing. Her deep technical understanding combined with commercial acumen will be an asset to the Board. Rowena has also been appointed as a member of the Company's Audit and Risk, Nomination, Remuneration and Sustainability Committees.

As explained in the Report and Financial Statements 2024, Reshma Ramachandran stood down as a Non-Executive Director with effect from the conclusion of the 2024 AGM, due to her appointment in a new executive role externally, which would restrict the available time which she can commit to her role with the company.

Mary Waldner stood down as a Non-Executive Director on 3 February 2025 following nine years on the Board. The Board thanks Reshma and Mary for the valuable contribution they have made during their time as a Director.

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 107 and 108.

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

12 June 2025

Nomination Committee Report continued

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/corporate-governance, 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 four 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 external performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on pages 101 to 102. The review found that the Committee functions effectively.

How the Committee spent its time during the year ended 31 March 2025

The responsibilities of the Committee are set out in its terms of reference, which were last reviewed in January 2025 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 Executive Leadership Team 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 Rowena Innocent, effective 17 February 2025.
- Concluded the succession process regarding our change of Chief Financial Officer, with Paul Fry succeeding Gavin Hill in this role with effect from 1 April 2025.

Board composition and succession planning

The Nomination Committee keeps under 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.

Recognising the value of adding technical understanding to the Board, particularly following the departure of Richard Friend in July 2023, the Committee acted to identify a suitable candidate to appoint as an additional Non-Executive Director. As a result, we were pleased to recommend that the Board appoint Rowena Innocent as a Non-Executive Director with effect from 17 February 2025. Rowena's experience in high-tech product design and manufacturing will complement the current range of expertise and experience on our Board. See page 100 for further information regarding the Committee's appointment process and page 102 for details regarding Rowena's appointment and induction experience. The Nomination Committee engaged EgonZhender, an executive search agency, to assist with this appointment.

Nomination Committee Report continued

The company and the Directors have no other connection with EgonZhendher. In order to retain access to Richard Friend's technical expertise and experience whilst the search process was ongoing, the Board engaged Richard in an advisory capacity to ensure that the Board retained the skills, knowledge and experience it needs to operate optimally.

As announced in January 2025, after nearly nine years with the company, Gavin Hill agreed with the Board that he would step down from his role of Chief Financial Officer on 31 March 2025, the end of the financial year. After a rigorous search process, Paul Fry was appointed as Chief Financial Officer with effect from 1 April 2025. The Director appointment process detailed on page 100 was followed, except that open advertising was not utilised as it was not appropriate in these circumstances. The interview process gave each of the Committee members a meaningful opportunity to carefully assess the experience and capabilities of the potential 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.

The Nomination Committee engaged Russell Reynolds, an executive search agency, to assist with this appointment. The company and the Directors have no other connection with Russell Reynolds.

In addition to reviewing Board composition, the Nomination Committee oversees the succession plans for the Executive Leadership Team. 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 on the Board. The Board recognises that diversity, construed in its broadest sense, is an important factor in Board 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 43% female representation but did not include ethnically diverse representation. The composition of our Board therefore met the recommendation of the FTSE Women Leaders Review (40% female representation by the end of 2025) but did not meet the recommendation of the Parker Review (at least one Director of colour by the end of 2024).

We are pleased to have surpassed the target for at least 40% of the Board to comprise women, with 43% female representation at present, as three of the Board's seven Directors are women. 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.

Following Reshma Ramachandran stepping down as a Non-Executive Director in July 2024 due to a change in her external appointments and capacity to commit sufficient time to the company, we no longer meet the target of the Parker Review for the Board to include at least one Director of colour by the end of 2024. We remain committed to meeting the Parker Review target of one Director of Colour and the Board will seek to address this through its ongoing succession planning.

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.

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.

As of the date of the Annual Report, the Senior Leadership Team comprises 16 persons, of whom 19% are Asian or mixed ethnicity. We will be seeking to maintain and improve the ethnic diversity of this cohort on a year-on-year basis, within a target range of 20% to 25%.

In March 2025, we published our second year of ethnicity pay gap data which showed that there was an ethnicity pay gap in mean (15.2%) and median (2.4%) pay across our UK workforce. This contrasts to 2022/23 where pay was slightly higher against both measures for those in ethnic minorities (1.4% and 1.7% respectively). We continue to focus on achieving a fully inclusive and representative workforce where all employees have the opportunity to develop their career to reach their full potential.

Nomination Committee Report continued

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

In accordance with the UK Financial Conduct Authority's Listing Rule 6.6.6 (9), the Board confirms that as of 31 March 2025, Oxford Instruments plc:

- had surpassed the target for at least 40% of the Board to comprise women, with 43% female representation given that three of the Board's seven Directors are women; and
- had (i) met one of the remaining targets set out in that rule with 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) had not met the other remaining target set out in that rule, with the Board including no Directors from a minority ethnic background.

In accordance with UK Financial Conduct Authority's Listing Rule 6.6.6 R (10) the below tables provide data as of 31 March 2025 regarding the gender identity or sex and the ethnic background of both the Oxford Instruments plc Board and the Senior Leadership Team.

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 Senior Leadership Team, 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 Senior Leadership Team	Percentage of Senior Leadership Team
Men	4	57%	3	12	75%
Women	3	43%	1	4	25%
Not specified/prefer not to say	–	–	–	–	0%

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	100%	4	13	81%
Mixed/Multiple ethnic groups	–	–	–	1	6%
Asian/Asian British	–	–	–	2	13%
Black/African/Caribbean/Black British	–	–	–	–	0%
Other ethnic group, including Arab	–	–	–	–	0%
Not specified/prefer not to say	–	–	–	–	0%

Audit and Risk Committee Report



Committee membership

The current members of the Committee are:

Hannah Nichols (Chair), Alison Wood, Nigel Sheinwald and Rowena Innocent.

Changes to Committee membership:

Reshma Ramachandran and Mary Waldner stepped down as members of the Committee upon their resignations from the Board on 25 July 2024 and 3 February 2025, respectively. Rowena Innocent joined as member of the Committee upon her appointment to the Board on 17 February 2025.

- For details of attendance at Committee meetings during the financial year, see page 96.
- For the biographies of all Committee members, see pages 85 to 87.

Dear Shareholder,

I am delighted to present the Report of the Audit and Risk Committee for the year ended 31 March 2025, my first as Chair of the Committee, having taken up this role with effect from the conclusion of the AGM on 25 July 2024. I would like to extend my thanks to Mary Waldner as the preceding Committee Chair, for her valuable leadership of and contributions to the Committee during her tenure.

The Committee has 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. 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. This is explained in more detail on page 111.

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.

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 annual audit for the year ended 31 March 2024 to ensure a smooth conclusion to this process;
- the review of papers and supporting calculations and data relating to the significant judgements and estimates used in the preparation of the financial statements for the financial year ended 31 March 2025; and
- initial consideration of the approach to be taken to address the changes the Committee believes necessary to comply with the revised UK Corporate Governance Code published in January 2024.

During the year, an external performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on pages 101 to 102. The review found that the Committee functions effectively.

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

HANNAH NICHOLS
Chair of the Audit and Risk Committee

12 June 2025

Audit and Risk Committee Report continued

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/corporate-governance, 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. Hannah Nichols, the Committee Chair, has specific, recent and relevant financial experience as the Chief Financial Officer of Hill and Smith plc and currently of Coats Group plc, is a qualified chartered accountant and has also held a number of senior executive financial roles with major public companies.

Meetings

The Audit and Risk Committee holds a minimum of three meetings annually, as required under its terms of reference, and this year held five scheduled meetings. See page 111 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 join meetings as required include the Chair and members of senior management. The Company Secretary is the secretary to the Committee.

Audit and Risk Committee Report continued

How the Committee spent its time during the year

Matters considered	June 2024	Sept 2024	Nov 2024	Jan 2025	Mar 2025
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				●	

Matters considered	June 2024	Sept 2024	Nov 2024	Jan 2025	Mar 2025
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	●		●		
Annual tax review		●			
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	●	●	●	●	●

Audit and Risk Committee Report continued

Significant Audit and Risk Committee judgements and estimates during the financial year ended 31 March 2025

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 2025 and how they were addressed.

Revenue recognition

Significant matter: Revenue recognition

Sales of some of our systems within NanoScience are recognised by reference to the progress towards completion of the performance obligation, using the cost input method. This requires management to estimate profit margin with reference to prior systems sold. Additionally, the Group generates a significant portion of revenue and profit in period 12 and any errors in revenue cut-off could potentially have a significant impact.

Our action: We reviewed management's reports on the approach to revenue recognition and assumptions used, including in relation to revenue cut-off testing.

Our conclusion: We concluded that management's approach to revenue recognition was reasonable and controls around revenue cut-off were adequate.

UK defined benefit pension scheme

Significant matter: Valuation of UK defined benefit pension scheme liabilities and assets

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 2025 in the balance sheet as either a pension scheme asset or deficit.

The valuation of the Group's obligations to members of the defined benefit pension schemes is based on a number of assumptions including discount rate, inflation and actual membership experience.

Our action: We reviewed management's reports on key assumptions with respect to the valuation of the defined benefit scheme's liabilities and assets. We challenged the basis of the assumptions underlying the valuation.

Our conclusion: We concluded that the valuation is reasonable and appropriately supported by the valuation conducted by an external actuary, Aon Hewitt.

First Light Imaging acquisition

Significant matter: Recognition and valuation of contingent consideration

The Group completed the acquisition of First Light Imaging SAS ('First Light') on 9 January 2024 for cash consideration of €14.6m with an additional €3.0m contingent on the business meeting certain performance targets during the first 12 months of Group ownership. The thresholds to pay the contingent consideration were not met and as a result the contingent consideration has been released into the Consolidated Statement of Income with adjusting items.

Our action: We reviewed management's assessment of performance against targets for reasonableness.

Our conclusion: We concluded that the release of the contingent consideration was appropriate.

Significant matter: Finalisation of purchase price allocation

KPMG LLP was appointed to value First Light to help determine the allocation of the purchase price to First Light's assets. This allocation relies on a number of inputs and judgements including forecasts of future financial performance. Where information is not available due to the proximity of the acquisition date to the balance sheet date, management applies judgement in estimating the provision value of acquired intangibles. This provisional allocation was finalised during the current reporting period and resulted in a £0.3m adjustment to inventory related to FY24.

Our action: We reviewed the updates made to provisional fair valuation of intangible assets acquired in the preceding reporting period for reasonableness.

Our conclusion: We concluded that the updates made to provisional fair valuation of intangible assets were reasonable.

FemtoTools acquisition

Significant matter: Recognition and valuation of contingent consideration

The Group completed the acquisition of FemtoTools AG on 28 June 2024 for a cash consideration of CHF 17.9m with an additional CHF 5.5m contingent on the business meeting certain performance targets over a period of 33 months. The Group accrues the fair value based on the estimated additional consideration payable as a liability at the acquisition date. To the extent that contingent consideration is payable after one year from the acquisition date, the contingent consideration is discounted at an appropriate discount rate and carried at fair value in the consolidated balance sheet.

Our action: We reviewed and challenged the calculations in respect of contingent consideration in light of forecast performance.

Our conclusion: We concluded that the valuation of contingent consideration was reasonable.

Significant matter: Purchase price allocation

KPMG LLP was appointed to value FemtoTools to help determine the allocation of the purchase price to FemtoTool's assets. This allocation relies on a number of inputs and judgements including forecasts of future financial performance.

Our action: We reviewed the provisional fair valuation of intangible assets acquired and the subsequent finalisation of this valuation for reasonableness.

Our conclusion: We concluded that the purchase price allocation and valuation of FemtoTools was reasonable.

Audit and Risk Committee Report continued

Impairment

Significant matter: Valuation of goodwill

In carrying out impairment reviews of goodwill, a number of significant assumptions have to be made when preparing cash flow projections. These include the future rate of market growth, discount rates, the market demand for products acquired and the future profitability of products.

Our action: We reviewed management's reports on the key assumptions with respect to goodwill. We also challenged the downside sensitivity analysis undertaken. Particular focus was given to ensuring that the carrying value of Andor Technology, the Group's Belfast microscopy and scientific cameras business assets, was properly supported given the recent challenging trading period for this business. The Committee reviewed management's forecasts for future performance and challenged the assumptions adopted.

Our conclusion: The Committee agreed with management's conclusions that there should be an impairment charge of £26.0m in FY25 accounts in respect of Andor Technology. We concluded that the carrying values of other acquired assets are reasonably and appropriately supported by the cash flow projections.

Provision for inventory

Significant matter: net realisable value of 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 Group policy was revised during the year and presented to the Board in November 2024. This provided a consistent approach to inventory provisioning across the Group for all inventory, including demonstration stock.

Our action: We reviewed the revised policy and how it would be applied.

Our conclusion: We approved the implementation of the new policy for FY25.

Subsequent events

Significant matter: Disposal of NanoScience business

On 10 June 2025, the Group entered into a binding agreement to sell its NanoScience business. IFRS 5 sets out the conditions requiring assets to be classified as 'held for sale' at the balance sheet date.

Our action: The Committee reviewed whether the IFRS 5 conditions requiring the classification of the NanoScience as 'Assets Held For Sale' at the balance sheet date had been met.

Our conclusion: Whilst a sale process was ongoing prior to 31 March 2025, the Committee was satisfied that at that point no binding offer or terms from prospective buyers had been received and therefore actions to complete the sale remained highly uncertain. In addition, management was not committed to sale and given the macro conditions prevailing at that time a successful sale remained highly uncertain. The Committee concluded therefore that the conditions for classifying the NanoScience business as held for sale at 31 March 2025 had not been met.

Other matters related to the financial statements

Adjusted profit and EPS

The Group applies adjustments to the statutory definition of profit and EPS to present adjusted profitability and earnings, as the Board considers 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.

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 2025 Financial Statements.

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 80.

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.

Misstatements

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 2025. 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.

Fair, balanced and understandable

The Board asked the Committee to consider whether the 2025 Annual Report is fair, balanced and provides the necessary information for shareholders to assess the Company's position and prospects, business model and strategy. In performing this review, the Committee received a report from management and considered if it meets the requirements of the 2018 UK Corporate Governance Code including the following considerations:

- Is the Annual Report open and honest with the whole story being presented?
- Have any sensitive areas been omitted that are material?
- Is there consistency between different sections of the Annual Report, including between the narrative and the financial statements, and does the reader get the same message form reading the two sections independently?

Audit and Risk Committee Report continued

- Is there a clear explanation of key performance indicators and their linkage to strategy?
- Is there a clear and cohesive framework for the Annual Report with key messages drawn out and written in accessible language?
- Is there an appropriate balance between the use of statutory accounting measures and adjusted performance measures, and are adjusted performance measures adequately explained?

Following this review, we confirmed to the Board that, in our view, the Annual Report is fair, balanced and understandable in accordance with the requirements of the UK Corporate Governance Code.

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 company's Code of Conduct. 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 2025 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.

Risk management

The key risk management activities performed by the Group are described on pages 69 to 71.

The Committee reviews the Group risk register, which includes climate change-related risks, 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 69 to 78.

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 2025 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.

Internal audit

During the year the internal audit function was led by the Head of Risk, Assurance and Trade Compliance, who was a regular attendee at Committee meetings. The Company is pleased to have appointed a new, dedicated Head of Internal Audit who has commenced leadership of the function with effect from 1 April 2025.

The purpose of the internal audit function 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 Internal Audit and, prior to his appointment, the Head of Risk, Assurance and Trade Compliance, have had 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. The internal audit function also continues to benefit from 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 and to 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 2025. It comprises audits which assess the effectiveness of internal financial controls, to be performed on a rotational basis across 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 2025, 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 and considered whether the quality, experience and expertise of internal audit remains appropriate for the business. It also 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 2025 to discuss key risk areas in advance of the new financial year.

Audit and Risk Committee Report continued

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 2024 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. 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 2025 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.

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 2024, 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. 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 2024, 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 2025 is expected to be carried out in September 2025.

Independence and objectivity

The Committee should assess the external auditor's independence and objectivity on an annual basis, considering 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 2024 and March 2025, in addition to again assessing in June 2025. In March 2025 and June 2025, the Committee was 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 £1,251k, represented less than 1% of the total fees payable to the auditor and its associates. A further illustration of this comparison can be seen in the following table.

Audit and non-audit fees for the financial year ended 31 March 2025

	Fees (£'000)	Proportion
Audit fees	1,190	95%
Audit-related assurance services	53	4%
Non-audit services	8	1%
Total fees payable to the auditor and its associates	1,251	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 2025 AGM, proposing BDO LLP's reappointment as auditor and to authorise the Board, through the Committee, to negotiate and agree its remuneration.

Sustainability Committee Report



Committee membership

The current members of the Committee are:

Sir Nigel Sheinwald (Chair), Neil Carson, Alison Wood, Hannah Nichols and Rowena Innocent.

Changes to Committee membership:

Reshma Ramachandran and Mary Waldner stepped down as members of the Committee upon their resignations from the Board on 25 July 2024 and 3 February 2025, respectively. Rowena Innocent joined as member of the Committee upon her appointment to the Board on 17 February 2025.

- For details of attendance at Committee meetings during the financial year, see page 96.
- For the biographies of all Committee members, see pages 85 to 87.

Dear Shareholder,

I am pleased to present the report of the Sustainability Committee for the year ended 31 March 2025.

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 made significant progress with our environmental programme during the year. Building on the targets set in 2024, which will see the company reach net zero in Scopes 1 and 2 by 2030, this year, the Committee addressed Scope 3, approving an interim target of a 25% absolute reduction in emissions by 2030. The proposed reduction and metric (opting for an absolute reduction rather than a measure of intensity) were agreed following a baseline-setting exercise led by management with support from external advisers. The Committee then reviewed and approved our net zero transition plan in November 2024, which sets out the steps required to achieve our targets across all three scopes, including extended procurement of renewable energy, an amount of capital investment to replace gas boilers, the deepening of the company's ongoing supplier engagement programme, and action to reduce emissions from our products.

Following internal confirmation of our targets and publication of the plan, our science-based near-term and net zero targets, using an updated 2023/24 baseline, were submitted to the Science Based Targets initiative (SBTi) for validation and approval. This was secured in March and published by SBTi in April. We will now move to overseeing and monitoring progress on the delivery of the net zero plan.

The Committee was pleased to note the award of a B rating for Oxford Instruments' management of climate change by global independent environment disclosure body CDP, reflecting our commitment and action in this area.

We 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, and approved its programme for 2024/25, which was outlined at the June 2024 meeting.

During the year, in addition to the environmental programme noted above, the Committee has also spent time considering the progress made in areas relating to social and governance matters.

We continue to support the priority given by management to further improving our health and safety performance, and welcomed the extension of new Institution of Occupational Safety and Health (IOSH)-accredited health and safety training to reach a wider group of colleagues, together with the increased focus on reporting accidents and near-misses through the Shield system. We noted that a small increase in minor injury reports largely reflected these improved reporting protocols.

We also discussed the company's continued efforts to foster an inclusive workplace, welcoming the positive progress made by employee impact groups focusing on less represented groups among the workforce, including the recently launched women's group and NeuroInclusive, focusing on neurodiversity. All of our employee impact groups are open to all employees.

The embedding of the company's new Ways of Working, launched in spring 2024, is seen as a key initiative to support a positive, inclusive culture, and this has been a key focus of the Senior Leadership Team throughout the year, as reported to the Committee.

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 continuation of the Foundations programme for emerging talent launched in the prior year. For more information, see page 66.

Sustainability Committee Report continued

The January Sustainability Committee meeting provided an opportunity to discuss in depth the company's Governance agenda. We welcomed the update provided on the new and extended Code of Conduct, which was published in December 2024, accompanied by an extensive internal communications campaign, and is now available in five languages. Management also reported on the success of a year-long campaign of refreshed and updated compliance training, with 100% of assigned courses completed by employees.

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 for a second year. Oxford Instruments was also recognised as being in the 82nd percentile among our peer group in our first submission to S&P's Corporate Sustainability Assessment, with only 18% of peers scoring higher.

Our integrated Sustainability Report is available on pages 45 to 69 and includes our Task Force on Climate-related Financial Disclosures Statement, as set out on pages 52 to 60. 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.

SIR NIGEL SHEINWALD
Chair of the Sustainability Committee

12 June 2025

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.

Sustainability Committee Report continued

Committee composition

In line with its terms of reference, which are available on our website at: www.oxinst.com/investors/corporate-governance, 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 three 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 external performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on pages 101 and 102. The review found that the Committee functions effectively.

How the Committee spent its time during the year ended 31 March 2025

The responsibilities of the Committee are set out in its terms of reference, which were last reviewed in January 2025 and which are summarised on page 117. 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.
- Approved the company's Scope 3 near-term target, together with the publication of its net zero transition plan and the submission of its overall science-based Scope 1, 2 and 3 targets to SBTi.
- Received updates from the Chief Executive Officer and management regarding climate-change related matters.
- 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 activities and measures relating to 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.
- 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 45 to 68 and includes our Task Force on Climate-related Financial Disclosures Statement, as set out on pages 52 to 60 and our standalone Sustainability Report which will be published on our website at: www.oxinst.com/sustainability.

Remuneration Committee report



Committee membership

The current members of the Committee are:

Alison Wood (Chair), Neil Carson, Nigel Sheinwald, Hannah Nichols and Rowena Innocent.

Changes to Committee membership:

Reshma Ramachandran and Mary Waldner stepped down as members of the Committee upon their stepping down from the Board on 25 July 2024 and 4 February 2025. Rowena Innocent joined as member of the Committee upon her appointment to the Board on 17 February 2025.

- For details of attendance at Committee meetings during the financial year, see page 96.
- For the biographies of all Committee members, see pages 85 to 87.

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 March 2025.

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 2025 and the implementation of the Policy for the year ahead.

Business context

It has been a year of positive progress, culminating in an excellent set of results which underlines the Board's confidence in the mid-term outcomes set out in the Chief Executive's review on page 20. The actions taken to simplify the Group, improve commercial execution and realign our regional presence have resulted in strong growth in revenue and profit, and increased margins in both divisions.

Operation of the Remuneration Policy in 2024/25 and incentive plan outcomes

The outcome for the 2024/25 annual bonus scheme was based on a combination of profit before tax, adjusted operating profit margin, cash conversion and non-financial strategic objectives. The profit before tax and operating profit margin elements both exceeded the maximum performance level and so achieved a full payout, but the cash conversion just missed the payment threshold for the stretching target range that was set. Overall, this resulted in a payout, relating to the financial elements of the scheme, of 100% of salary for the Chief Executive Officer (CEO) and former Chief Financial Officer (CFO), out of a maximum of 150% of salary.

The non-financial strategic targets were based on (i) evolution of the business portfolio (ii) establish and progress our operational transformational programme and (iii) position the business for margin improvement and enhanced growth in 2026. Additionally, the former CFO had two further objectives specific to him. Having considered each element carefully, we determined achievement of 21.5% out of 25% of base salary opportunity for the CEO and 17.5% out of 25% of base salary opportunity for the former CFO. The overall bonus achieved was therefore 141% and 137% of salary for the CEO and former CFO respectively. One-third of the annual bonus will be paid in shares, which must be retained for three years.

Awards granted in 2022 under the Performance Share Plan (PSP) to the former Chief Executive Officer and the former Chief Financial Officer were based on two equally weighted performance measures. Earnings Per Share (EPS) was assessed over the three years to 31 March 2025 and achieved a performance level at 50% of maximum, with EPS growth of 6% per annum. In the final year of the performance period Return on Capital Employed (ROCE) was 26% and therefore achieved a performance level of 25%. As a result of this performance, the 2022 PSP grant will vest at 37.5% overall. A two-year holding period applies to the vested award. The current Chief Executive Officer and Chief Financial Officer did not participate in this award.

Given the company's strong performance during 2024/25 and over the three-year performance period for the PSP, 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 2024/25 incentive outcomes.

Remuneration Committee report continued

Operation of the Remuneration Policy in 2025/26

We carefully reviewed the recommendations regarding base salary increases for employees and noted that the average salary increase across the workforce in the UK was 2.5%. In that context we determined that the base salary for the Chief Executive should also increase by 2.5% from £587,100 to £601,778. There was no salary increase for the former Chief Financial Officer.

The annual bonus opportunity will remain at 150% of salary and performance measures will continue to be based on profit (50%), cash conversion (16.7%), adjusted 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 Chief Executive and Chief Financial Officer. We will retain the same broad mix of measures as in the previous two years, to provide a rounded overall assessment of performance. The measures for the grant will therefore be EPS (30%), ROCE (30%), Total Shareholder Return (TSR) (25%) and a sustainability-related measure (15%). The EPS measure will require compound annual growth of between 3% and 10% over three years and the ROCE measure will be based on a target range of 26%-30% in 2027/28. 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 sustainability target is aligned to our long-term strategy and will require reduction in absolute Scope 1 and 2 market-based carbon emissions by 2028 by 45% (threshold) to 65% (maximum) from the FY2023/24 baseline to drive achievement of Net Zero by 2030.

Chief Financial Officer succession

We announced on 9 January 2025 that, after nearly nine years with the company, Gavin Hill had agreed with the Board that he would step down as Chief Financial Officer on 31 March 2025. He will remain actively involved with the company until 10 June 2025 to support a smooth transition through the results period and is now on garden leave for the remainder of his 12-month notice period. He will be treated as a good leaver in respect of his unvested PSP awards and will be subject to the post-employment shareholding requirement, which requires him to retain 200% of base salary, for two years effective from the end of his notice period. Details of Gavin's leaving arrangements are set out later in this report.

After a rigorous search, the Board was delighted to appoint Paul Fry as Chief Financial Officer with effect from 1 April 2025. The Committee considered the remuneration package carefully, recognising Paul's significant plc experience and calibre, and that he had received an offer elsewhere at significantly higher total remuneration (salary, bonus and long-term incentives). On this basis we agreed with Paul a salary of £460,000 and in view of the significant lead time to his appointment, also agreed that his first salary review would be 1 July 2025, when it will increase by 2.5% to £471,500. We also agreed that his LTIP award would be set at 200% which is in line with the Policy as are all other elements of his reward package. There are no buyout arrangements.

Non-Executive Directors' (NED) fees

The fees of the Chair and NEDs will increase by 2.5%. This is consistent with the base salary increase for the Executive Directors and the workforce.

Committee effectiveness review

During the year, an external performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on pages 101 to 102. The review found that the Committee functions effectively.

Conclusion

We hope that you will be supportive of the annual advisory vote to approve the Annual Report on Remuneration at our AGM on 28 July 2025.

ALISON WOOD

Chair of the Remuneration Committee

12 June 2025

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 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 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/corporate-governance 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 four 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.

Wider employee remuneration

The Committee seeks to ensure that the underlying principles which form the basis for decisions on Executive Directors' pay are consistent with those on which pay decisions for the rest of the workforce are taken. For example, the Committee takes into account the general salary increase for the broader employee population when conducting the salary review for Executive Directors.

A formal employee consultation on remuneration is not operated; however, employees are able to provide feedback on the Company's remuneration policies to their managers as well as through the employee engagement survey and formal performance review process.

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 101 and 102. The review found that the Committee functions effectively.

Committee advisers

Korn Ferry was the Committee's independent remuneration consultant during the year and continues with this appointment in 2025/26. 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 2025 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 £43,170 (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 2025 are:

Annual bonus

Adjusted organic constant currency PBT

Threshold:	£82.4m
Target:	£86.5m
Max:	£90.5m

Actual

£90.5m

Adjusted organic constant currency operating profit margin

Threshold:	16.5%
Target:	16.8%
Max:	17.2%

Actual

17.8%

LTIP

Earnings per share growth (% CAGR pa)

Threshold:	4% pa CAGR
Max:	10% pa CAGR

Actual (CAGR over 3 years to 31 March 2025)

6.0%

Cash conversion

Threshold:	82%
Target:	85%
Max:	92%

Actual

89%

Strategic objectives

Targets based on a range of objectives linked to operational improvement and progressing the new strategic plan and the evolution of the Group's portfolio.

→ For details see / Page 132

Return on capital employed

Excluding Andor impairment and FemtoTools acquisition

Threshold:	26%
Max:	32%

→ For details see / Page 133

Actual 2024/25

26.0%

Executive Directors' remuneration at a glance

Total remuneration payable for 2024/25

	Base salary £'000	Benefits £'000	Pension £'000	Annual bonus £'000	LTIP £'000	Other £'000	Total £'000
Richard Tyson	583	26	31	828	-	-	1,468
Gavin Hill ¹	409	24	23	565	234	1	1,255

1. Gavin Hill stepped down from the Board and his role as CFO on 31 March 2025.

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/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 2025/26, see pages 130 to 139.

Principle	Committee approach
<p>Clarity:</p> <p>Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.</p>	<ul style="list-style-type: none">• The metrics used in our annual bonus have a direct link to our company KPIs, which are familiar to our shareholders and the workforce.• Performance Shares are linked to our long-term business strategy, familiar to our shareholders and the workforce.• 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.
<p>Simplicity:</p> <p>Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.</p>	<ul style="list-style-type: none">• Our Remuneration Policy is in line with market norms.• The application of the Policy is described clearly each year in this report with a clear link between reward and performance.
<p>Risk:</p> <p>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.</p>	<p>The Committee has ensured that risks are identified and mitigated by:</p> <ul style="list-style-type: none">• having discretion to override the formulaic outturn of incentives; and• having robust clawback and malus provisions.• 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.

Directors' remuneration report continued

Principle	Committee approach
Predictability: 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"> • The scenario chart on page 128 sets out the potential rewards available to the Executive Directors under three different performance scenarios. • Limits to incentive plans and the basis for the Committee to use discretion are clearly set out.
Proportionality: 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"> • 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. • The performance conditions are aligned to strategy and the targets are set to be stretching to reward for delivering above-market returns. • The Committee retains discretion to override the formulaic outturns of incentives if the payout does not reflect broader company performance and other factors.
Alignment to culture: Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	<ul style="list-style-type: none"> • The alignment of metrics to the medium and long-term strategy ensures behaviours consistent with the company's purpose and values are being encouraged. • Clawback and malus provisions discourage behaviours that are not consistent with the company's purpose, values and strategy. • 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.

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.

Directors' remuneration report continued

Remuneration Policy

Element of pay: Base salary

Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> 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. Reflects the experience, performance and responsibilities of the individual. 	<ul style="list-style-type: none"> Normally reviewed annually with any increase usually effective 1 July. 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. 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. Pay rises typically aligned with or below that of the workforce. 	<ul style="list-style-type: none"> There is no minimum or maximum annual increase. 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.

Element of pay: Benefits

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

Element of pay: Pension

Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> To contribute towards the cost of living in retirement. 	<ul style="list-style-type: none"> Company contributions to a money purchase pension scheme and/or salary supplement. 	<ul style="list-style-type: none"> 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.

Directors' remuneration report continued

Remuneration Policy continued

Element of pay: Annual bonus

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

Element of pay: Long-Term Incentive Plan (LTIP)

Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> To incentivise the executives and reward them for meeting stretching long-term targets linked to the business strategy. To align the Directors' interests with those of shareholders. Facilitates share ownership to provide further alignment with shareholders. 	<ul style="list-style-type: none"> 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. Awards structured as options may have a zero exercise price or an exercise price equivalent to the par value of an ordinary share. 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. 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. Up to 25% of the awards will vest at threshold performance under each performance condition. Vested awards must be held for a further two years before sale of the shares (other than to pay tax). The Committee may use discretion to override the result of any formula-driven payment. 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. 	<ul style="list-style-type: none"> The maximum award limit is 200% of salary. 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. 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 129). 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.

Directors' remuneration report continued

Remuneration Policy continued

Element of pay: All-employee share schemes

Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> To encourage employee share participation. 	<ul style="list-style-type: none"> 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. The SIP is open to all UK permanent staff. 	<ul style="list-style-type: none"> The schemes are subject to the limits set by tax authorities.

Element of pay: Shareholding guideline

Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> To further align Executive Directors' interests with shareholders'. 	<ul style="list-style-type: none"> 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. 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. 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 eg 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. 	<ul style="list-style-type: none"> Not applicable.

Element of pay: Non-Executive Director (NED) fees

Purpose and link to strategy	Operation	Maximum opportunity
<ul style="list-style-type: none"> To remunerate the Chair and NEDs. The fees may be in the form of cash or shares. 	<ul style="list-style-type: none"> Normally reviewed annually. 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. NEDs based outside the UK may receive additional fees taking into account additional travel and time commitment associated with their role. 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. 	<ul style="list-style-type: none"> There is no prescribed maximum or maximum annual increase.

Directors' remuneration report continued

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 (eg 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.

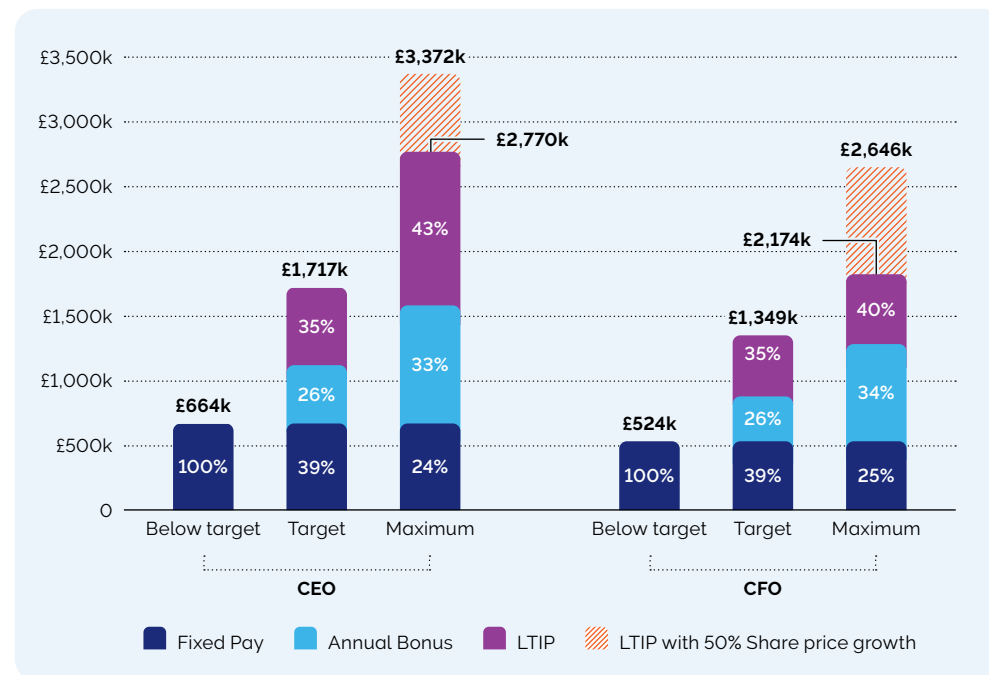
The Committee may adjust the targets and/or set different measures and alter weightings for existing annual bonus plans and share-based awards only if an event occurs which causes the Committee to reasonably consider that the performance conditions would not without alteration achieve their original 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 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 FY2025/26 (see below for assumptions).



Assumptions:

- Fixed pay comprises salary levels as at 1 July 2025, pension of 6% of salary and the value of benefits received in 2024/25 for the CEO and an estimate for the CFO.
- 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, ie 100% of salary.
- The maximum level of bonus is 150% of salary and the maximum LTIP award level is 200% of salary for the CEO and 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.

Directors' remuneration report continued

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
Paul Fry	8 January 2025	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
Notice period	12 months by the company or by the Director.
Termination payment	<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>
Remuneration entitlements	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).
Change of control	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.

Directors' remuneration report continued

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 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	2027 AGM
Alison Wood	8 September 2020	None	2026 AGM
Sir Nigel Sheinwald	22 September 2021	None	2027 AGM
Hannah Nichols	1 January 2024	None	2027 AGM
Rowena Innocent	17 February 2025	None	2028 AGM

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 ¹ £'000	Annual bonus ² £'000	Long-term incentive awards ³ £'000	Pension ⁴ £'000	Other ⁵ £'000	Total fixed £'000	Total variable £'000	Total £'000
Richard Tyson	2025	583	26	828	–	31	–	640	828	1,468
	2024	285	13	256	–	15	823	313	1,079	1,392
Gavin Hill ⁶	2025	409	24	565	234	23	–	456	800	1,255
	2024	395	24	360	583	32	–	451	943	1,394
Total	2025	992	50	1,393	234	54	–	1,096	1,627	2,723
	2024	949	64	862	1,149	73	828	1,091	2,834	3,925

- 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. The values included in the table above are before payment of tax.
- Annual bonus represents the gross annual bonus for the year to March 2025 and would usually be paid in the July 2025 payroll. Of the total bonus amounts payable, £276,133 and £188,284, equal to one-third, will be paid in shares for Richard Tyson 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 20 June 2022. The value has been determined using the average share price over the three months to 31 March 2025, £19.8005. The share price used on grant of the 2022 PSP award was £19.40, therefore the value of the PSP award that has been attributable to share price growth is £4,424 for Gavin Hill. Dividend equivalents have been added to arrive at the total figure included in the table above. The value of the prior year awards has been restated using the share price on the vesting date of 5 July 2024 of £25.00, giving a total vested award value, including dividend equivalents, of £582,950 (before restatement £502,706) for Gavin Hill.
- Each Executive Director is entitled to receive a contribution to a money purchase pension scheme for a fixed value of 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.
- The company operates a Share Incentive Plan (SIP) which is open to all UK permanent staff employed for at least six months. For Richard Tyson 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 £186 and £306 each of matching shares for Richard Tyson and Gavin Hill, respectively.
- Gavin Hill stepped down as Chief Financial Officer and from the Board on 31 March 2025, he then remained in active service until 10 June 2025 to ensure a smooth transition. Details of Gavin Hill's remuneration arrangements are set out on page 135.

Directors' remuneration report continued

Non-Executive Director		Fees £'000	Benefits £'000	Total £'000
Neil Carson	2025	211	–	211
	2024	204	–	204
Mary Waldner ¹	2025	52	–	52
	2024	66	–	66
Alison Wood	2025	79	–	79
	2024	76	1	77
Sir Nigel Sheinwald	2025	69	–	69
	2024	66	–	66
Reshma Ramachandran ²	2025	18	–	18
	2024	57	1	58
Hannah Nichols ³	2025	66	–	66
	2024	14	–	14
Rowena Innocent ⁴	2025	7	–	7
	2024	–	–	–
Total	2025	502	–	502
	2024	483	2	485

1. Mary Waldner stepped down as a Non-Executive Director effective 4 February 2025.
2. Reshma Ramachandran stepped down as a Non-Executive Director effective 25 July 2024.
3. Hannah Nichols was appointed as a Non-Executive Director effective 1 January 2024.
4. Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

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. Richard Tyson and Gavin Hill's on-target bonus opportunity was 75% of salary and the maximum opportunity was 150% of salary. The targets set and the achievement against them are set out in the table below.

Measure (% of salary weighting)	Targets ¹			Actual Performance	Payout % of salary
	Threshold	Target	Maximum		
Adjusted profit before tax ² (75%)	£82.4m	£86.5m	£90.5m	£90.5m	75.0%
Adjusted organic operating profit margin ² (25%)	16.5%	16.8%	17.2%	17.8%	25.0%
Cash conversion (25%)	82.0%	85.0%	92.0%	89.0%	19.6%
Strategic objectives (25%)	See below			CEO:	21.5%
				CFO:	17.5%
Total				CEO:	141.1%
				CFO:	137.1%

1. 10% of the element is payable for achieving threshold performance and 50% is payable for achieving target performance.
2. Calculated on a constant currency basis.

The non-financial strategic objectives were set at the start of the year. The CEO and CFO were set the same three main strategic objectives and the CFO was set further sub objectives under the second objective.

Directors' remuneration report continued

Details of the objectives and an assessment as to their achievement are set out below:

Executive Directors Strategic objectives	Weighting CEO	Weighting CFO	Outcome as % of salary CEO	Outcome as % of salary CFO	Commentary
Progress evolution of the portfolio in line with agreed Group strategy	32%	24%	6.25%	4.00%	Delivery of turnaround in NanoScience (NS) performance. Continued to develop pipeline of bolt-on opportunities within the Imaging & Analysis division.
Establish and progress operational excellence transformation programme For the CFO specifically, return NS to profitability and successful implementation of ERP across Americas, China, Andor and Plasma	32%	48%	7.00%	7.50%	Wave 2 of OpEx30 well under way with initial diagnostic phase report out. Wave 1 cameras complete and full improvement implementation under way. Second team established at NS in Tubney and initial diagnostic report out. Productivity targets already achieved. NS returned to profitability. Some delays in the ERP implementation.
Progress Group strategic plan and position for margin improvement and enhanced growth and value in 2026	36%	28%	8.00%	6.00%	China stabilised through pivot to other commercial markets, with team engagement renewed. Export disruption reduced. North America growth dynamics improved through completion of leadership team recruitment.
Total	100%		21.5%	17.5%	

The actual bonuses payable for the Executive Directors for the year ended 31 March 2025 are set out below.

Executive Director	Actual bonus payable (% of salary)	Actual bonus payable (% of maximum)	Actual bonus payable for 2024/25 ¹
Richard Tyson	141%	94%	£828,398
Gavin Hill	137%	91%	£564,852

- Bonus is calculated on salary as at 31 March 2025. Of the amounts disclosed, £276,133 and £188,284 will be paid in shares to Richard Tyson and Gavin Hill respectively, which must be held for three years, as per the policy.

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 20 June 2022 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 2022:

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 10% per annum	25%–100%
Maximum	10% per annum and above	100%
Actual EPS	112.4p	
Actual growth achieved over the period	6%	50%

Directors' remuneration report continued

50% of the award is based on the company's return on capital employed in the final year of the three-year performance period¹:

Performance level	ROCE ¹ for the final year of the performance period	% of award that will vest
Below threshold	Less than 26%	0%
Threshold	26%	25%
Between threshold and maximum	Between 26% and 32%	25%–100%
Maximum	32% per annum and above	100%
Actual ROCE achieved in 2024/25	26%	25%

1. ROCE is calculated as Earnings Before Interest and Tax (EBIT)/ average capital employed where EBIT is adjusted operating profit less amortisation of acquired intangibles and capital employed is as documented in the Finance review on page 43.

Based on the performance against targets, the PSP awards will vest on 20 June 2025 as follows:

	Date award granted	Total number of shares granted	Percentage of award vesting	Number of shares vesting	Value ¹ of shares vesting (£'000)	Number of shares awarded as dividend equivalent ²	Value ¹ of shares vesting including dividend equivalent (£'000)
Gavin Hill	20 June 2022	29,456	37.5%	11,046	218,716	781	234,181

- 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 2025, £19,8005. This will be restated for the actual value on vesting in next year's report.
- 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.

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

Awards made under the LTIP during the financial year ended 31 March 2025 are set out below.

Director	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
Richard Tyson	22 July 2024	48,222	200%	£1,174,206	£24.35	22 July 2027
Gavin Hill	22 July 2024	29,610	175%	£721,004	£24.35	22 July 2027

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%	2% pa (25% vesting) to 8% pa (100% vesting) CAGR over three financial years measured from the FY2023/24 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 FY2024/25 relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – emissions reduction – Site Heating Infrastructure Projects	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 (FY2026/27) (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 (FY2026/27) (25% vesting) to 40% (100% vesting). The current percentage of females in senior leadership positions is 34%. Senior leadership is defined as Leadership Committee, their direct reports and key decision makers.

Directors' remuneration report continued

As at 31 March 2025, the outstanding options for Richard Tyson and Gavin Hill under the PSP and LTIP¹ were as follows:

Scheme	1 Apr 2024	Granted	Exercised	Lapsed	Dividend equivalents ¹	31 March 2025	Exercise price ²	Share price on date of grant	Date of grant	Earliest exercise	Latest exercise
Richard Tyson											
LTIP ³	13,521	–	–	–	–	13,521	£0.05	£20.55	14/11/2023	16/03/2024	15/03/2031
LTIP ³	30,975	–	–	30,975	–	–	£0.05	£20.55	14/11/2023	14/03/2025	13/03/2032
LTIP ³	53,023	–	–	–	–	53,023	£0.05	£20.55	14/11/2023	31/07/2026	13/11/2033
LTIP	–	48,222	–	–	–	48,222	£0.05	£24.35	22/07/2024	31/07/2027	21/07/2034
Total	97,519	48,222	–	30,975	–	114,766					
Gavin Hill											
PSP	53,071	–	53,071	–	–	–	£0.05	£9.58	25/09/2017	25/09/2020	24/09/2027
PSP	51,646	–	–	–	–	51,646	£0.05	£10.10	03/07/2018	03/07/2021	02/07/2028
PSP	38,633	–	–	–	–	38,633	£0.05	£14.00	15/07/2019	15/07/2022	14/07/2029
PSP	33,601	–	–	–	–	33,604	£0.05	£16.24	23/09/2020	23/09/2023	22/09/2030
PSP	23,338	–	–	(583)	563	23,318	£0.05	£23.80	05/07/2021	05/07/2024	04/07/2031
PSP ⁴	29,456	–	–	–	–	29,456	£0.05	£21.75	20/06/2022	20/06/2025	19/06/2032
LTIP	36,697	–	–	–	–	36,697	£0.05	£21.75	25/09/2023	31/07/2026	24/09/2033
LTIP	–	29,610	–	–	–	29,610	£0.05	£24.35	22/07/2024	31/07/2027	21/07/2034
Total	266,442	29,610	(53,071)	(583)	563	242,961					

- 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 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 and 2022 LTIP awards from his previous employer, TT Electronics plc, which lapsed in connection with his joining the company. The 2021 buy-out award vested at 43.91% as disclosed in last year's report and the 2022 buy-out award lapsed in full as a result of the threshold performance of the original TT Electronics plc performance conditions not being met.
- The performance conditions relating to this award have been tested and the award will vest at 37.5%.

Directors' remuneration report continued

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 2025 (or date of resignation if relevant) are shown in the table below.

	Beneficially owned shares	Share option awards vested but unexercised	Percentage of salary held in shares under shareholding guideline ¹	Guideline met as at 31 March 2025	Share option awards unvested and subject to performance ²
Richard Tyson	5,910	44,496	86	No	101,245
Gavin Hill ³	6,761	147,198	354	Yes	95,763
Neil Carson	24,000	–	N/A	N/A	–
Mary Waldner ⁴	–	–	N/A	N/A	–
Alison Wood	–	–	N/A	N/A	–
Nigel Sheinwald	–	–	N/A	N/A	–
Reshma Ramachandran ⁴	–	–	N/A	N/A	–
Hannah Nichols	–	–	N/A	N/A	–
Rowena Innocent ⁵	–	–	N/A	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 31 March 2025: £17.20.
- Award granted in June 2022 will vest at 37.5% in June 2025. Awards granted in 2023 and 2024 remain subject to performance conditions.
- Gavin Hill will be subject to the post-cessation shareholding obligations as set out in the Policy.
- Reshma Ramachandran stepped down as a Non-Executive Director effective 25 July 2024. Mary Waldner stepped down as a Non-Executive Director effective 4 February 2025.
- Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

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 of 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 £10,000 (2024: £10,000) into a personal defined contribution plan for Gavin Hill. Balancing payments of £30,731 to Richard Tyson and £12,778 to Gavin Hill (net of employer's national insurance contributions) were paid as cash.

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

As detailed earlier in this report, Gavin Hill agreed with the Board that he would step down as Chief Financial Officer from the Board on 31 March 2025. Paul Fry took up the role of Chief Financial Officer with effect from 1 April 2025, with Gavin continuing to be actively employed until 10 June 2025 to ensure a smooth transition.

Gavin Hill's remuneration arrangements for 2025/26 and for the duration of his notice period is set out below:

- Salary, benefits and pension will continue for the duration of his 12-month notice period ie to 7 January 2026.
- Gavin is eligible to participate in the 2025/26 annual bonus plan, pro-rated for the period of his active service, ie, up to 10 June 2025 and payable at the usual time in cash and deferred shares.
- Gavin is not eligible to receive a Long-Term Incentive Plan award for 2025/26.
- Gavin will be treated as a good leaver in respect of his unvested Performance Share Plan and Long-Term Incentive Plan awards, which will be subject to a time pro-rata reduction to the end of his notice period ie, 7 January 2026, the achievement of performance conditions, and which will vest at the normal time. The two-year post-vesting holding periods will continue to apply.
- Gavin is subject to a post-employment shareholding requirement which requires him to retain a shareholding on cessation of employment, equivalent to 200% of base salary, for two years. The two-year period will be calculated commencing from the end of his notice period.
- Gavin will receive £109,000 by way of compensation for the termination of his employment in full and final settlement for any legal claims arising related to unfair dismissal.

Directors' remuneration report continued

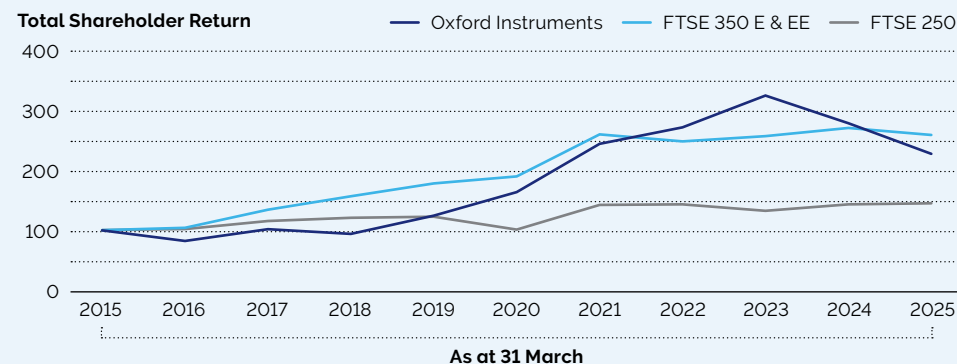
As explained in the 2023 Annual Report, Ian Barkshire was treated as a good leaver when he retired from the Board and his role as CEO in 2023 and therefore, he retained his unvested 2022 LTIP award which was pro-rated to the end of his notice period. As set out in this report, the award will vest at 37.5% of maximum, which resulted in 9,276 shares vesting, including 390 dividend equivalent shares. The value of these shares is £191,392 based on the average share price over the three months to 31 March 2025, £19.8005.

Performance graph and CEO's remuneration (unaudited)

The graph to the right shows for the ten years ended 31 March 2025 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.

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.

Total Shareholder Return



Year ending 31 March	2017 ¹			2018	2019	2020	2021	2022	2023	2024 ³		2025
	2016	Jonathan Flint	Ian Barkshire							Ian Barkshire	Richard Tyson	
Total remuneration (£'000)	743	64	620	791	1,957	1,967	2,244	2,087	2,135	1,321	1,392	1,468
Annual bonus outcome (%)	38.6%	0%	56.3%	63.7%	94.4%	62.9%	100%	74.2%	80.56%	60%	60%	94%
ESOS vesting (%)	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SELTIS/PSP/LTIP ² vesting (%)	0%	0%	N/A	N/A	92.8%	100%	100%	100%	100%	97.5%	N/A	N/A

1. FY2016/17: 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.

2. 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.

3. FY2023/24: 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 CEO pay to that of employees

The CEO to employee pay ratio for 2024/25 and prior financial years is set out below:

Financial year	Method	25th percentile	50th percentile	75th percentile
2024/25	A	77.0:1	57.8:1	42.7:1
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 payment made in respect of the CEO who served during the year, and the employees at the percentiles for the 2024/25 ratio are set out below:

	CEO	25th percentile	50th percentile	75th percentile
Salary	£582,825	£33,708	£44,345	£58,500
Total pay	£1,467,706	£36,336	£47,565	£62,601

Directors' remuneration report continued

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 2025. 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. There have been no discernible trends in the movement of the pay ratios over the period of financial years covered by the pay ratios table, with CEO and employee pay well aligned to performance and noting that the CEO pay figure in the last two years has been impacted by the CEO succession.

The calculations use the pay for Richard Tyson as disclosed in the single figure table. The pay for all UK employees comprises salary, benefits, pension and annual bonus payments due for 2024/25 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 remained broadly comparable to the prior year. 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 2024/25 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 2025	2023/24 to 2024/25 % change			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	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
Richard Tyson ¹	104.5	96.8	223.6	N/A	N/A	–	N/A	N/A	–	N/A	–	–	N/A	–	–
Gavin Hill	3.5	0.0	56.9	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	3.5	–	–	5.0	–	–	4.3	–	–	8.0	–	–	-4.3	–	–
Mary Waldner ²	-20.8	–	–	7.0	–	–	3.8	–	–	8.3	–	–	-3.8	–	–
Alison Wood	4.1	–	–	8.6	100	–	9.3	–	–	N/A	–	–	N/A	–	–
Nigel Sheinwald	4.4	–	–	7.0	–	–	N/A	–	–	N/A	–	–	N/A	–	–
Reshma Ramachandran ³	-67.7	–	–	N/A	N/A	–	N/A	N/A	–	N/A	–	–	N/A	–	–
Hannah Nichols ⁴	369.7	–	–	N/A	N/A	–	N/A	N/A	–	N/A	–	–	N/A	–	–
Rowena Innocent ⁵	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average employee pay ⁶	2.70	-1.0%	101.3	1.73	-11.0	-29.3	10.3	9.01	-4.7	4.24	-8.4	-23.1	-0.7	-6.7	7.0

1. Richard Tyson joined the Board on 1 October 2023 and so the prior year does not reflect an equivalent full year of salary, benefits and bonus.

2. Mary Waldner stepped down from the Board on 4 February 2025.

3. Reshma Ramachandran joined the Board on 1 September 2022 and stepped down from the Board on 25 July 2024.

4. Hannah Nichols joined the Board on 1 January 2024.

5. Rowena Innocent joined the Board on 17 February 2025.

6. Average employee pay includes all UK employees in service on 31 March 2025 for the 2023/24 to 2024/25 comparison, but excludes those who were on maternity leave, long-term sick leave and those who started or ended employment within the period.

7. The average pay increase across all employees in the UK in 2024/25 was 2.5%.

8. The value of the average employee bonus for the year ended 31 March 2025 (to be paid in July 2025) 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.

Directors' remuneration report continued

Relative importance of the spend on pay

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

	Year ended 31 March 2025	Year ended 31 March 2024	% change
Employee costs (£m)	166.6	155.4	7%
Dividends (£m)	12.1	11.4	6%

Statement of shareholder voting (unaudited)

The resolution to approve the 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 2024 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	46,643,409	849,741	98.21	1.79	3,042

How the Policy will be applied in 2025/26 (unaudited)

Base salaries

With effect from 1 July 2025, the salary of the CEO will increase by 2.5% from £587,100 to £601,778 and the salary of the CFO will also increase by 2.5% from £460,000 to £471,500 in line with the broader UK workforce.

Benefits and pension

Benefits will be in line with the Policy. 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 2025/26 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)	50.0%
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 progressing operational improvement and the strategic plan.

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.

Directors' remuneration report continued

Long-term incentive awards in respect of the financial year

The 2025/26 LTIP awards will be over shares with a market value at grant of 200% of salary for the CEO and CFO.

Vesting will be subject to the performance conditions as set out below measured over a three-year performance period commencing 1 April 2025. 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 Committee has carefully considered the EPS and ROCE target ranges in light of the business plan and market environment and considers the ranges to be appropriately stretching

The TSR measure will require significant stock market outperformance.

The sustainability measures will drive achievement of our target of Net Zero by 2030.

Performance measure	Weighting	Performance targets
Earnings Per Share (EPS)	30%	3% pa (25% vesting) to 10% pa (100% vesting) CAGR over three financial years measured from FY2024/25 year-end EPS.
Return on Capital Employed (ROCE)	30%	26% (25% vesting) to 30% (100% vesting) in the final year of the performance period (FY2027/28).
Relative Total Shareholder Return (TSR)	25%	Median (25% vesting) to Upper quartile (100% vesting) over three financial years commencing with FY2024/25 relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – emissions reduction	15%	Reduce absolute Scope 1 and 2 market-based carbon emissions by 2028 by 45% (threshold) to 65% (maximum) from the FY2023/24 baseline.

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 2.5% for 2025/26, effective from 1 July 2025.

	2024/25	2025/26	% increase
Board Chair	£212,661	£217,978	2.5%
Additional fee for Deputy Chair	£5,358	£5,492	2.5%
Basic fee	£59,130	£60,608	2.5%
Additional fee for Senior Independent Director	£10,300	£10,558	2.5%
Additional fee for Committee Chair	£10,300	£10,558	2.5%

Note: The fees shown for 2024/25 and 2025/26 are the annual rates as at 1 July 2024 and 1 July 2025, respectively.

Approval

This report was approved by the Committee on 12 June 2025 and has been approved subsequently by the Board for submission to shareholders at the Annual General Meeting to be held on 28 July 2025.

ALISON WOOD
Chair of the Remuneration Committee
12 June 2025

Shareholder information

Financial calendar¹

13 June 2025	Announcement of preliminary results
10 July 2025	Final dividend ex-dividend date
11 July 2025	Final dividend record date
28 July 2025	Annual General Meeting
29 July 2025	Final dividend DRIP election date
19 August 2025	Final dividend payment date
11 November 2025	Announcement of half-year results
27 November 2025	Interim dividend ex-dividend date
28 November 2025	Interim dividend record date
16 December 2025	Interim dividend DRIP election deadline
9 January 2026	Interim dividend payment date
31 March 2026	Financial year end

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

Annual General Meeting 2025

The 2025 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 Monday 28 July 2025.

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

Analysis of share register at 31 March 2025

	Total number of holdings	Percentage of holders	Total number of shares	Percentage of issued share capital
By type of shareholder				
Individual	1,384	74.17	1,938,562	3.33
Institutions and others	482	25.83	56,196,211	96.67
By size of shareholding				
1–500	1,121	60.08	187,235	0.32
501–1,000	206	11.04	157,344	0.27
1,001–10,000	301	16.13	970,886	1.67
10,001–100,000	151	8.09	5,723,000	9.84
100,001–500,000	61	3.27	13,729,906	23.62
Over 500,000	26	1.39	37,366,402	64.28
Total	1,866	100.00	58,134,773	100.00

Shareholder enquiries

Please contact MUFG Corporate Markets, 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

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@cm.mpms.mufg.com

By post:

MUFG Corporate Markets
Shareholder Services,
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

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 2025.

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 2025, 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 Finance review on pages 37 to 45 and the report on Sustainability on pages 45 to 68, 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 9 to 81 which is also incorporated by reference.

Results and dividends

The results for the year are shown in the Consolidated Statement of Income on page 146. The Directors recommend a final dividend of 17.1p per ordinary share, which together with the interim dividend of 5.1p per ordinary share is a total of 22.2p per ordinary share for the year (2024: 20.8p per ordinary share). Subject to shareholder approval, the final dividend will be paid on 19 August 2025 to shareholders registered at close of business on 11 July 2025.

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 72 to 78.

Directors

Biographies of all the Directors at the date of this report, including Non-Executive Directors, are set out on pages 85 to 87. During the year ended 31 March 2025 there were a number of changes to the Board, as noted on page 84.

Any Director who has been appointed by the Board since the previous Annual General Meeting of shareholders, either to fill a casual vacancy or as an additional Director, holds office only until the conclusion of the next Annual General Meeting and then shall be eligible for re-election by the shareholders. The company's Articles of Association provide that all Directors are subject to annual re-election in accordance with the UK Corporate Governance Code.

The Directors are subject to removal with or without cause by the Board or the shareholders. Directors may exercise all of the powers of the company subject to the provisions of the Articles of Association.

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 is in place, 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 2025, are:

	31 March 2025 Shares	31 March 2024 Shares
Neil Carson	24,000	24,000
Richard Tyson	5,910	–
Gavin Hill	6,762	4,014
Alison Wood	–	–
Nigel Sheinwald	–	–
Hannah Nichols	–	–
Rowena Innocent	–	N/A

Details of share options for the Executive Directors are shown in the Remuneration Report on page 134.

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

In the year to 31 March 2025, no Director had a material interest in any contract of significance with OI plc or any of its subsidiaries. As of 30 May 2025, there were no changes to the above shareholdings apart from for Richard Tyson and Gavin Hill who participate in the Oxford Instruments Share Incentive Plan and since the year end had increased their respective beneficial holdings by 20 and 21 shares.

Directors' report continued

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

During the year to 31 March 2025, the Board issued 220,981 new shares (2024: 201,284) following the exercise of options under OI plc's share option schemes. At 31 March 2025, the issued share capital of OI plc was 58,134,773 ordinary shares of 5p each. No shares in OI plc were acquired by the company itself during the year (2024: nil). Details of the share capital and options or other awards outstanding as at 31 March 2025 are set out in Notes 25 and 26, respectively, to the Financial Statements.

Powers in relation to OI plc issuing or buying back its own shares

At the 2024 AGM, shareholders authorised the company to allot relevant securities: (i) up to a nominal amount of £965,321 (being one-third of the company's issued share capital); and

(ii) up to a nominal amount of £1,930,642 (being two-thirds of the company'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 or for use in connection with any pre-emptive offer. A similar resolution will be put to shareholders at the 2025 AGM.

In 2024, shareholders also authorised the company to purchase its own shares in the market up to a limit of 10% of its issued share capital, being 5,791,927 shares. As noted in the 2024 notice of meeting, the Directors will seek to renew this authority at the 2025 AGM by proposing a further special resolution. This authority will also be limited to a maximum of 10% of the company's issued share capital and the resolution will set the minimum and maximum prices which may be paid. The Directors will only purchase the company's shares in the market if they believe it is in the best interests of the company and shareholders generally and where Directors (i) expect that such a purchase would result in an increase in earnings per share, (ii) consider that the company has excess cash, and/or (iii) determine that it is appropriate to increase the company's gearing.

Disapplication of pre-emption rights

At the 2025 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 the company's issued share capital for general purposes and up to a further 10% of the company'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 the company'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.

These resolutions are the same as those approved by shareholders at the company's 2024 AGM. The Directors believe the resolutions being proposed at the 2025 AGM reflect market practice.

Research and development

Information on the research and development activities of the Group can be found on page 162.

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.

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 30 May 2025:

	As at 30 May 2025	As at 31 March 2025
	% of voting rights over ordinary shares of 5p each	% of voting rights over ordinary shares of 5p each
Artemis Fund Managers	14.23	14.23
Ameriprise Financial, Inc	9.94	9.94
BlackRock, Inc.	8.67	8.67
Lady KA Wood and the Estate of the late Sir MF Wood	3.94	3.94

Directors' report continued

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.

Charitable donations

During the year, the Group made charitable donations of £6,167 (2024: £5,668).

Political donations

During the year, the Group made no political donations (2024: 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 28 July 2025 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 FY2024/25 was passed at the 2024 Annual General Meeting and a resolution to reappoint them as auditor for FY2025/26 will be proposed at the 2025 Annual General Meeting on 28 July 2025.

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 statement

The Board's corporate governance statement is set out on page 88. The Board reviews its work on corporate governance in the Governance Report on pages 83 to 144. Pages 27 to 28 summarise how we engage with our stakeholders. Pages 89 to 93 include further details of how we engage with our stakeholders and page 94 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 61 to 68 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 page 90.

S172 Statement

For information on how the Directors have had regard to the interests of employees and the need to foster the company's business relationships with suppliers, customer and others as well as the effect of that regard on the principal decisions taken by the company during the financial year, please see the S172 statement on page 94.

Greenhouse gas emissions

To meet the requirements of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, CO₂ emissions are reported on as part of our reporting on greenhouse gas emissions in Sustainability on pages 48 to 49.

Material events

On 10 June 2025, the Group entered a binding agreement to sell the trade and assets of Oxford Instruments NanoScience to Quantum Design International Inc for a £60m total consideration, including up to £3m of deferred consideration linked to performance of the business post-closing.

Directors' responsibilities in relation to the Annual Report

The Directors are responsible for preparing the Report and the Group and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with UK-adopted International Accounting Standards and applicable law and have elected to prepare the Parent Company Financial Statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- for the Parent Company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so; and
- prepare a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement which comply with requirements of the Companies Act and the applicable laws and regulations.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report/Directors' Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Signed on behalf of the Board

RICHARD TYSON
Chief Executive Officer

PAUL FRY
Chief Financial Officer

12 June 2025