

Governance Report

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Chair's overview

Delivering Governance that supports long-term value

"Strong governance is fundamental to delivering long-term value, and the Board has continued to focus on strategy, risk oversight and culture as the Group evolves."

NEIL CARSON
Chair



Dear Shareholder,

On behalf of the Board, I am pleased to present the Governance Report for the year ended 31 March 2026. This report outlines our governance framework, highlights the work undertaken by the Board and its Committees over the year, and demonstrates how we have fulfilled our responsibilities. The Board remains focused on promoting the long-term, sustainable success of the company and the Group, creating value for shareholders and other stakeholders. Central to this is our continued commitment to applying and upholding high standards of corporate governance across the Group, and we have complied with all applicable provisions of the 2024 UK Corporate Governance Code during the year.

Strategy and purpose

The Board has maintained a strong focus on overseeing the delivery of our strategy, receiving updates on strategic execution at each Board meeting. During the year, the Board also heard directly from the Managing Directors of our Advanced Technologies and Imaging & Analysis divisions, who provided insights into both progress made and medium-term strategic planning. I am pleased to note that our initiatives to drive enhanced growth and profitability through a customer first approach continue to build momentum, and are now delivering many of the outcomes we set out to achieve.

For more information, see Our purpose-driven approach on page 8, Our strategy for growth on pages 33 to 38, and the Chief Executive Officer's review on pages 11 to 23.

Governance highlights

- **Focused Board oversight**
Continued strong oversight of strategy, capital allocation and risk, including approval of a refreshed five-year growth plan.
- **Strengthened governance and control environment**
Strengthened oversight of risk management and internal controls, including progress towards readiness for the enhanced requirements of Provision 29 of the UK Corporate Governance Code.
- **Clear outcomes from Board and workforce engagement**
Board-led workforce engagement, including site visits and employee sessions, provided valuable insight into employee perspectives and informed subsequent Board discussions and internal communications.

Chair's overview continued

Positive progress

The Board is pleased that it has been another year of strong delivery and strategic progress for Oxford Instruments, as we continue to execute with clarity and discipline against the priorities set out in 2024. Looking to the future, Oxford Instruments is now in a position of strength. We have a clearer strategic focus, a stronger operational platform, and a culture that is increasingly aligned to customer expectations and delivering consistent and sustainable performance.

For more information, see the Chief Executive Officer's review on pages 11 to 23, the Finance Review on pages 42 to 50 and my Chair's statement on pages 9 to 10.

Board activities

During the year, the Board considered a broad range of strategic, financial, operational and people-related matters, as well as its core responsibilities for risk, governance and compliance. Our discussions covered the continued delivery of the OI30 strategy, financial performance and capital allocation, operational improvement initiatives, workforce engagement, and our ongoing assessment of principal and emerging risks. We also maintained regular dialogue with shareholders and reviewed developments across our governance framework.

This year, we have expanded our disclosure of the outcomes of the Board's work within the governance section of this Annual Report. This addition is intended to give readers clearer insight into how the Board's decisions translate into tangible actions and improvements across the Group.

Employee engagement

The Board was once again pleased to take part in its formal employee engagement programme during the year. We believe that this engagement enhances the Board's understanding of employees' views and helps us take their interests into account when making decisions. Each year, the Board contributes to shaping the programme, ensuring that we meet employees across a wide range of roles, locations and career stages. This year's activities included full Board visits to our Advanced Technologies site in Severn Beach, Bristol and our Imaging & Analysis site in High Wycombe. Insights from these engagements informed subsequent Board discussions and helped shape the way the Group communicated its strategic priorities and key developments to employees. We look forward to continuing our engagement activities in 2026/27.

To find out more about our approach to stakeholder engagement, including our employees, please see 'How we engage with stakeholders' on pages 112 to 119.

Board effectiveness and evaluation

As part of our regular three-year cycle, we carried out an internal Board evaluation this year. The process provided valuable insights into how the Board and its Committees are operating, and included feedback on strategy, composition, diversity, culture and leadership. I met individually with each Director to discuss their reflections, and the Board has agreed a focused action plan for the year ahead to support our continued effectiveness. More detail on the actions we agreed is included in the Corporate Governance Report on page 121.

Annual General Meeting

The 2026 Annual General Meeting (AGM) of Oxford Instruments plc will be held at Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW at 11.00am on Thursday 23 July 2026.

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/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

8 June 2026

Board of Directors

Experienced Board

Our Board comprises a team of Directors whose skills, knowledge and experience enable effective leadership of the Group and create long-term value for our stakeholders.

Committee Membership

- | | |
|--|--|
| A Audit and Risk Committee Member | N Nomination Committee Member |
| R Remuneration 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, Non-Executive Director of Paypoint plc and Amec Foster Wheeler plc, and Non-Executive Director, member of the Sustainability Committee and Chair of the Remuneration Committee of Shell plc.

External appointments:

None.

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 held senior roles at defence group Cobham plc, where he was a member of the executive committee and led the aerospace and security division. He also served as the Senior Independent Director and a Non-Executive Director of Videndum plc.

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:

Governor of St Swithun's Independent School for Girls.
Director of The Salters' Management Company Limited.

Committee Membership

None

¹ Neil was independent upon appointment to the Board, in line with provision 10 of the UK Corporate Governance Code 2024.

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 Cobham plc and Capricorn Energy PLC (formerly Cairn Energy PLC), Senior Independent Director of e2v plc, Non-Executive Director and Remuneration Committee Chair of TT Electronics 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

A N R S

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 Analytical (a Spectris company), General Electric and Druck.

External appointments:

Consultant at AcoustoFab Ltd.

Committee Membership

A N R S

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

A N R S

HANNAH NICHOLS Non-Executive Director



Appointed to the Board:
1 January 2024

**Non-Executive
Independent:** Yes

Skills and experience:

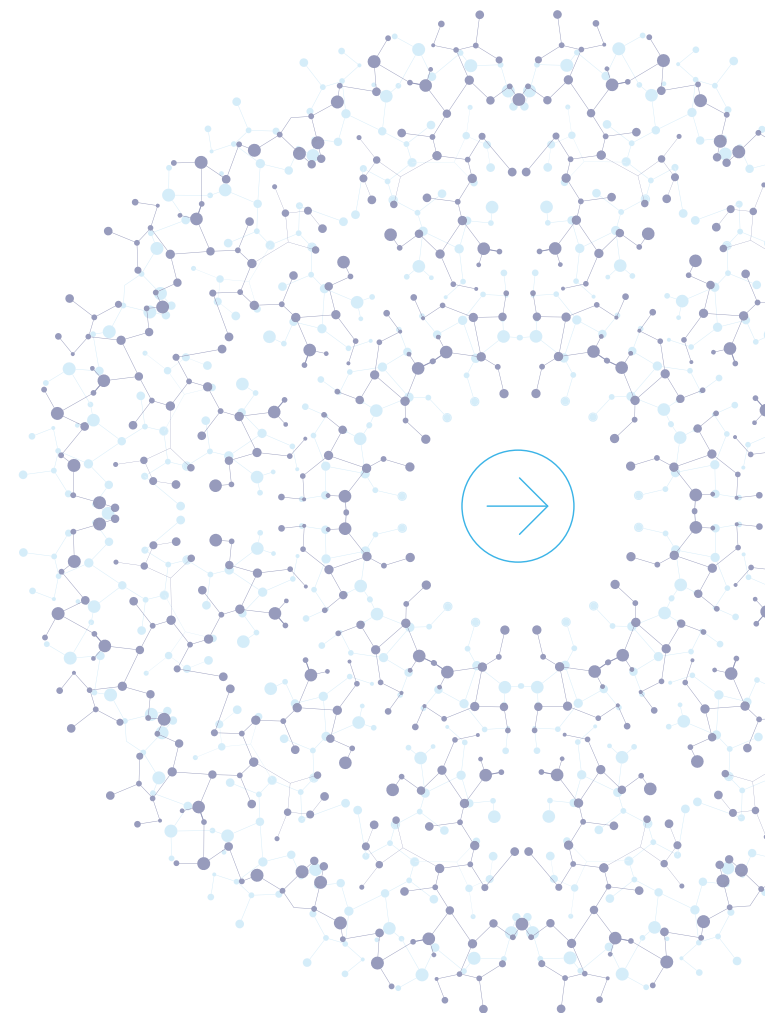
Hannah is currently Chief Financial Officer of Coats Group plc, which is a world leader in thread manufacturing and structural components for apparel and footwear, as well as an innovative pioneer in performance materials and a constituent of the FTSE 250 index on the London Stock Exchange. She holds 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.

External appointments:

Chief Financial Officer of Coats Group plc.

Committee Membership

A N R S



Governance at a glance

The Board is committed to high standards of governance and to ensuring that our purpose, values and behaviours are consistently reflected in the way the Group operates.

Board composition

Board gender diversity:

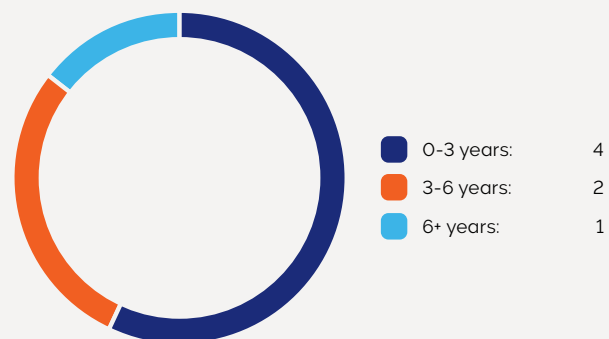


👤 - 43% female 👤 - 57% male

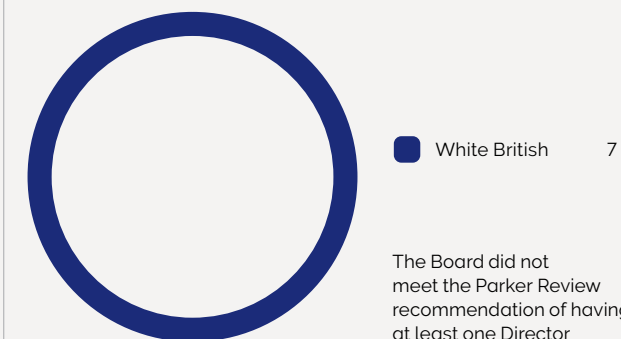
Senior Board positions

Chair	👤
Chief Executive Officer	👤
Chief Financial Officer	👤
Senior Independent Director	👤

Board tenure



Board ethnicity



The Board did not meet the Parker Review recommendation of having at least one Director from a minority ethnic background. Further detail on our approach and plans is set out in the Nomination Committee Report on page 125.

Governance at a glance continued

Board and Committee meetings and attendance

Committee key

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

Director	Committee membership	Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Neil Carson	N R S	10/10	N/A	1/1	6/6	4/4
Richard Tyson		10/10	N/A	N/A	N/A	N/A
Paul Fry		10/10	N/A	N/A	N/A	N/A
Alison Wood	R A N S	10/10	5/5	1/1	6/6	4/4
Sir Nigel Sheinwald	S A N R	10/10	5/5	1/1	6/6	4/4
Hannah Nichols	A N R S	10/10	5/5	1/1	6/6	4/4
Rowena Innocent	A N R S	10/10	5/5	1/1	6/6	4/4

In addition to the scheduled meetings, two sub-committee meetings of the Audit and Risk Committee and three sub-committee meetings of the Board were held.

At the end of each Board meeting, the Non-Executive Directors meet without the Executive Directors present and at the end of each Audit and Risk Committee meeting, the Committee meets with both the internal and external auditor without management present.

Board skills and experience

Specific skill, experience or expertise	Number of Directors identifying as having specific skill, experience or expertise						
Chairmanship	1	1	1	1	1	1	1
Listed Company Executive directorship(s)	1	1	1	1	1	1	1
Listed Company Non-Executive directorship(s)	1	1	1	1	1	1	1
Financial expertise	1	1	1	1	1	1	1
Financial reporting experience	1	1	1	1	1	1	1
Risk management	1	1	1	1	1	1	1
Investor relations	1	1	1	1	1	1	1
Corporate governance	1	1	1	1	1	1	1
Executive remuneration	1	1	1	1	1	1	1
Workforce engagement	1	1	1	1	1	1	1
Strategy development	1	1	1	1	1	1	1
International business experience	1	1	1	1	1	1	1
Commercial and business development	1	1	1	1	1	1	1
Business management	1	1	1	1	1	1	1
Operations and manufacturing	1	1	1	1	1	1	1
Services and life cycle revenue	1	1	1	1	1	1	1
Technology, Science or Engineering	1	1	1	1	1	1	1
Sustainability	1	1	1	1	1	1	1
Climate change	1	1	1	1	1	1	1
Energy transition	1	1	1	1	1	1	1
Customer focus	1	1	1	1	1	1	1
People leadership	1	1	1	1	1	1	1
Digital experience	1	1	1	1	1	1	1
Government Relations, Public Affairs and Communications	1	1	1	1	1	1	1

Governance at a glance continued

UK Corporate Governance Code

UK Corporate Governance Code 2024 (the 'Code'): Statement of Compliance

Oxford Instruments plc is subject to the UK Corporate Governance Code 2024 (the 'Code') issued by the Financial Reporting Council. The Code is available in full at frc.org.uk. For the financial year ended 31 March 2026, the Board considers that it has applied the principles and complied with the provisions of the Code.

The company complied with Provision 29 of the 2018 Code during the year and has a clear plan of action to comply with the enhanced requirements of Provision 29 of the 2024 Code for the year ending 31 March 2027. Further details of our preparations for compliance can be found in the Audit and Risk Committee Report on pages 127 to 136.

Disclosure Guidance and Transparency Rules

The company is also required to comply with Disclosure Guidance and Transparency Rule 7.2. The following specific disclosures required under this Rule 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 79.
- Share capital information can be found in the Directors' Report on page 174.
- Details of the composition of the Board and its Committees can be found on pages 102 to 104.
- Our Board diversity policy is described on page 125.

How we have applied the Code principles

<p>Board leadership and company purpose</p> <p>The Board sets the strategic direction for long-term, sustainable success. It leads by example, promotes our purpose and values, and ensures meaningful engagement with stakeholders.</p> <p>Pages 100 to 105.</p>	<p>Division of responsibilities</p> <p>We maintain a clear division of responsibilities, with an effective balance of Executive and Non-Executive Directors and well defined roles for the Board and executive management.</p> <p>Pages 108 and 109.</p>	<p>Composition, succession and evaluation</p> <p>The Board monitors and maintains an appropriate mix of skills, experience and knowledge. Regular Board evaluations and robust succession planning support effective governance and future leadership needs.</p> <p>Pages 102 to 106, 121 to 122, and 125.</p>
<p>Compliance and culture</p> <p>The Board oversees and promotes a culture that reflects our purpose and values, ensuring our operations are conducted ethically and in line with our governance standards.</p> <p>Page 120.</p>	<p>Audit, risk and internal control</p> <p>Through the Audit and Risk Committee, the Board oversees the effectiveness and independence of internal and external audit, the integrity of financial reporting, and the robustness of risk management and internal control systems.</p> <p>Pages 132 to 136.</p>	<p>Remuneration</p> <p>Our remuneration framework aims to fairly and responsibly reward executives while aligning incentives with long-term, sustainable performance and the delivery of our strategic priorities.</p> <p>Pages 139 to 171.</p>

The Board has complied with all applicable provisions of the UK Corporate Governance Code during the year. The Board's approach to wider best-practice recommendations, including the Parker Review, is explained elsewhere in this report.

Corporate governance report

Our governance framework

The Board

The Board is accountable to shareholders for the long-term sustainable success of the Group. This is achieved through setting the Group's strategy and priorities and overseeing their implementation within the Board's risk appetite and a framework of effective internal controls. The Board takes into account the interests of a range of stakeholder groups as part of its decision making process and is collectively responsible for engagement with the workforce.



Board Committees

The Board is supported by its principal Committees, each of which is responsible for overseeing and making recommendations to the Board on their respective specialist areas, as set out below and within their respective Committee reports.

Audit and Risk Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Hannah Nichols, Chair	Neil Carson, Chair	Alison Wood, Chair	Nigel Sheinwald, Chair
Oversees the integrity of financial reporting, monitors the effectiveness of internal controls and risk management, and maintains an independent relationship with external auditors. It safeguards shareholders' interests by ensuring transparent reporting and robust governance of these areas.	Leads board succession planning, ensuring the Board has the right mix of skills, experience and diversity to support long-term company success. It oversees Director recruitment, induction and ongoing training.	Sets and oversees executive pay to ensure it aligns with the company's strategy, long-term sustainable success and shareholder interests. It establishes fair, transparent remuneration policies for Directors and the senior management team, taking into account wider workforce remuneration, and linking rewards clearly to performance and the company's culture.	Oversees the company's approach to ESG matters, ensuring these issues are managed in line with good practice and the company's long-term objectives. It monitors material sustainability risks and opportunities, progress against the company's net zero transition plan and promotes transparent reporting.
Read more in the Audit Committee Report on pages 127 to 136	Read more in the Nomination Committee Report on pages 123 to 126	Read more in the Remuneration Committee Report on pages 139 to 171	Read more in the Sustainability Committee Report on pages 137 to 138



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 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 environmental sustainability strategy via the Environmental Leadership Forum.

Corporate governance report continued

Roles of Directors on the Board and the Executive Leadership Team

The Board

The Board comprises the Chair, two Executive Directors and four independent Non-Executive Directors, all supported by the Company Secretary. The roles of the Chair, Executive Directors, Senior Independent Director and the Non-Executive Directors are formally documented and reviewed by the Board on a periodic basis.

Non-Executive chair	Senior Independent Director	Chief Executive Officer	Chief Financial Officer	Non-Executive Directors
Neil Carson	Alison Wood	Richard Tyson	Paul Fry	
Leads the Board, sets its agenda and ensures it operates effectively, fostering a culture of openness, constructive debate and high-quality decision-making. Ensures effective governance is maintained.	Leads the appraisal of the Chair's performance and provides an alternative point of contact for shareholders. Meets separately with the Non-Executive Directors and the Executive Directors without the Chair present. Responsible for escalating any issues identified through these discussions to the Board.	Responsible for the day-to-day management of the company, implementing the Board's strategy and overseeing operations. Carries out the Board's decisions and policies, ensuring the organisation has the resources, leadership and operational direction to achieve its objectives.	Leads the company's financial management, ensuring accurate financial reporting and strong internal controls. Along with the CEO, develops budgets and medium-term plans to deliver the strategy, oversees financial performance and provides strategic financial insight to the Board to drive long-term value.	Provide independent oversight and constructive challenge to the Executive Directors on delivery of the company's strategy and bring an external perspective to strategy, performance, risk management and governance to ensure balance in the Board's decision making process.

Corporate governance report continued

Board activities

The Board is responsible for establishing our purpose. It is also responsible for setting the strategy which we will deliver in line with the purpose, and which is underpinned by our values, culture and how we do business. For more information on our purpose, see page 8, and for more information on our strategy, see pages 33 to 38. 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. Details of such engagement activities are outlined in 'How we engage with stakeholders' on pages 112 to 119.

During the year, the Senior Independent Director supported the Chair in the effective operation of the Board and led the appraisal of the Chair's performance. She met separately with the Non-Executive Directors, providing an additional channel for discussion and feedback, and contributed to the Board effectiveness evaluation process. The Senior Independent Director was also available to shareholders should they have wished to raise concerns that could not be resolved through the usual channels.

The Board's activity and the outcomes of that activity are set out below. For more information regarding the key areas of focus for the Committees of the Board, please see their respective reports within this Annual Report.

	Strategy and sustainability	Financial	Operational	People and organisational	Risk, governance, legal, compliance and investor relations
Key Board activity	<ul style="list-style-type: none"> Regular updates on progress with implementing the OI30 strategy Business unit deep dive strategy sessions including site visits New product innovation strategy review Portfolio strategy discussion Geopolitical considerations and mitigation actions Investment in initiatives to meet net zero targets 	<ul style="list-style-type: none"> Regular financial performance updates Full-year, half-year and trading updates FY27 budget Five-year strategic growth plan Capital expenditure and investment Cash flow, liquidity, going concern and long-term viability Use of cash/capital allocation, including share buyback considerations Defined Benefit Pension Scheme 	<ul style="list-style-type: none"> Regular updates on operational improvement programme Health and safety updates Supply chain risk assessment ERM platform and target operating model Customer services improvement programme 	<ul style="list-style-type: none"> Leadership talent and succession review Employee engagement survey Employee voice in the boardroom Development of new Directors' Remuneration Policy 	<ul style="list-style-type: none"> Full and half-year risk reviews, including principal and emerging risks Updates on cyber security landscape and risk mitigation Updates from the Audit and Risk Committee on their oversight of preparations for compliance with Provision 29 of the 2024 Corporate Governance Code AGM matters, including share allotment authority resolutions, Director re-elections and Articles of Association Legal, Ethics and Compliance reviews Modern Slavery Statement Internal Board evaluation Feedback from investors following results announcements Movements in the investor share register

Corporate governance report continued

	Strategy and sustainability	Financial	Operational	People and organisational	Risk, governance, legal, compliance and investor relations
Outcomes	<ul style="list-style-type: none"> Effective monitoring and oversight of the implementation of the OI30 strategy M&A pipeline refreshed Approval of the sale of the NanoScience business (see page 118) Completion of one site heating infrastructure project Approval of investment in Advanced Technologies new product development 	<ul style="list-style-type: none"> Publication of the FY25 preliminary results announcement, the FY25 Annual Report and Accounts, the FY26 half-year report and quarterly trading updates Progressive final and interim dividends £50m share buyback programme completed in March 2026 and second £50m tranche under way FY26 budget and refreshed five-year strategic growth plan approved Company pension contributions ceased from October 2025 following the purchase of a policy to insure all members' Scheme benefits by the Trustee of the pension scheme 	<ul style="list-style-type: none"> Effective Board oversight of operations and execution of operational excellence programme Actions to de-risk supply chain including strategic stock purchases and product redesign to reduce reliance on rare-earth minerals Initiatives launched to optimise regional repair capacity and capability 	<ul style="list-style-type: none"> Population of the leadership development programme agreed Feedback from Non-Executive Directors to the Board following employment engagement sessions, which was then reflected in internal communications to the wider employee group Agreement that the Board will continue to be collectively responsible for workforce engagement Continued support for employee share ownership 	<ul style="list-style-type: none"> Risk appetite workshop to formally define risk appetite for all principal risks The Board was not made aware of any material weaknesses in the Group's risk management and internal control systems during the year Continued active dialogue with shareholders and investment community All AGM resolutions approved in the range of 91% to 100% Publication of Modern Slavery Statement Focus areas from FY26 internal Board evaluation identified
Key stakeholder groups considered					
Links to strategy					

Relevant Section 172 factors:

- Long-term
- Employees
- Business relationships
- Community and environment
- Business conduct
- Members of the company

Links to Strategy:

- Deliver strong growth through 'customer first' Ways of Working
- Simplify the organisation
- Embed our values and Ways of Working
- Deliver a step change in operational performance
- Invest in new technology and products, protecting and enhancing our core strengths
- Reach net zero in our own operations by 2030

Corporate governance report continued

Stakeholder engagement and Section 172(1) statement

The Board is committed to developing its understanding of the views of its key stakeholders. During the year, the Board has been collectively responsible for workforce engagement and has not designated a specific Non-Executive Director to undertake this responsibility. The Board considers that the mechanisms for workforce engagement, as set out below, have been effective, but will be kept under review in the coming year.

How we engage with stakeholders

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.

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p>Customers</p> <p>We put our customers' needs at the centre of our conversations and decision making.</p> <p>Customer intimacy is key not only to helping us identify additional opportunities to deliver increased value to our customers, but to the long-term growth of our business.</p>	<ul style="list-style-type: none"> ● Excellent customer support and engagement throughout the buying cycle. ● High-quality products and technical expertise. ● Products which deliver value and help customers 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, including 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. ● Our transition to a more regional sales model has developed how we work with customers, enhancing input into the business from our Regional Presidents. ● Ongoing investment in customer service aids customer connections. ● Ongoing improvements in the systems and methods used to understand customer needs and use that insight in business decisions. 	<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>The Board reviews the product development pipeline and approves the capital allocation for product development as part of the budget process, as well as specific product development investment decisions where significant.</p> <p>See our strategy / Pages 33 to 38</p>

Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p>Employees Our employees are the foundation of our business success, and we have a responsibility to support their health, wellbeing and development.</p> <p>A highly capable, diverse workforce also enables us to better understand our customers and markets. Building an organisation with a broad range of perspectives and experiences increases our ability to innovate, to make the right decisions and to meet or exceed our customers' expectations.</p>	<ul style="list-style-type: none"> • 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 again participated in a formal programme of employee engagement activity this year, which included sessions focused on executive remuneration and full-Board site visits to our Severn Beach and High Wycombe sites. • 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 an active intranet and Group-wide email communications on key strategic initiatives. A periodic 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. During these sessions, employees raised questions on a wide range of topics including the Group's strategic direction, approach to M&A and the potential implications of the geopolitical environment on the business. Non-Executive Directors responded directly to the questions during the sessions and management subsequently addressed the themes raised through follow-up communications to the wider employee population. The Board will be participating in a programme of engagement activity during 2026/27. • The Remuneration Committee reviewed the wider workforce remuneration landscape and related policies, and considered these when developing the proposals for the new Directors' Remuneration Policy, and setting Executive Director and Senior Leadership Team remuneration. • We have continued to promote observation reporting in relation to health and safety, aiming to ensure that remedial actions can be taken to prevent accidents from happening. 	<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 51 to 78 and Sustainability Committee Report / Pages 137 to 138</p> <p>Setting Executive Director and Senior Leadership Team remuneration.</p> <p>See the Directors' Remuneration Report / Pages 139 to 171</p>

Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p>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.</p> <p>Our goal is to deliver shareholder returns through profitable, sustainable growth with strong cash conversion and efficient use of capital.</p>	<ul style="list-style-type: none"> • 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. • At multiple occasions throughout the year, we hosted analysts and shareholders at both our High Wycombe site and compound semiconductor facility in Bristol to highlight our capabilities. • 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, 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 as well as the consultation on the revised Directors' Remuneration Policy. • 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 33 to 38</p> <p>Consultation on the Directors' Remuneration Policy</p> <p>See the Directors' Remuneration Report / Pages 139 to 171</p> <p>Capital allocation policy</p> <p>See the Financial Review / Pages 42 to 50</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 51 to 78 and</p> <p>Sustainability Committee Report / Pages 137 to 138</p>

Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p>Suppliers Our supply chain plays a vital role in supporting sustainable growth and efficiency across the business.</p> <p>It is imperative that we attain the highest quality products and service for our customers, whilst also striving to enhance the efficiency of the business and to reduce risk.</p> <p>Engaging with our supply chain is also crucial in the development and delivery of our net zero commitment.</p>	<ul style="list-style-type: none"> ● 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. ● 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. ● We are implementing new processes around supply chain risk and ESG activities for FY27. 	<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 51 to 78 and Sustainability Committee Report / Pages 137 to 138</p>

Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p>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.</p>	<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 51 to 78 and Sustainability Committee Report / Pages 137 to 138</p>

Corporate governance report continued

Stakeholder and why we value them	What matters to them	How we engage	Outcomes of our engagement	Board decisions where stakeholders were considered
<p>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.</p> <p>Our purpose underpins our wholehearted commitment to playing our part in creating a sustainable future throughout our operations, and by behaving as a responsible business.</p>	<ul style="list-style-type: none"> ● 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 pages 11 to 23. ● 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. 	<p>See our Sustainability Report / Pages 51 to 78</p> <p>Information on the work of the Sustainability Committee / Pages 137 to 138</p>

Corporate governance report continued

☆ Spotlight



Principal decision case study Disposal of our NanoScience business

As part of its ongoing review of portfolio composition and long-term strategy, the Board considered the future role of the Group's NanoScience business. This review formed part of the Board's wider responsibility to promote the long-term success of the company, taking into account the interests of shareholders and other key stakeholders.

The Board assessed whether continued ownership of the NanoScience business was the optimal route to deliver sustainable value, recognising the differing market dynamics, investment requirements and growth trajectories across the Group's businesses.

In evaluating the proposed sale, the Board considered a broad range of factors, including:

Strategic fit: alignment of the NanoScience business with the Group's strategic priorities and capital allocation framework.

Long-term value creation: the comparative medium- and long-term value of retaining the business versus divestment, including use of proceeds to strengthen the Group's balance sheet and invest in growth opportunities elsewhere.

Risk profile: operational, commercial and investment risks associated with the NanoScience business relative to the remainder of the Group.

Market conditions: current and expected market demand, technological developments, and the attractiveness of the asset to potential buyers with sector-specific expertise.

External financial and legal advisers were engaged to support the Board's evaluation, including assessment of valuation, transaction structure, and execution risks.

The Board recognised that the proposed transaction would have a direct impact on employees within the NanoScience business. In its deliberations, the Board considered plans for employee consultation and communication at appropriate stages of the process; the prospective owner's strategic intent, operational capability and approach to people, culture and long-term investment; and continuity of employment and future opportunities for employees. The Board sought assurance from management that employee interests were treated carefully and respectfully throughout the process.

The Board also considered the implications of the sale for other stakeholders, including suppliers: continuity of commercial relationships, payment terms and operational stability during and after the transition and customers: the ability of the business to continue to deliver high-quality products, service and innovation under new ownership.

The transaction was reviewed at multiple Board meetings. The Board challenged management assumptions and alternative options, reviewed risk assessments and mitigation plans, ensured that appropriate internal controls and authorities were applied throughout the transaction life cycle, and considered its responsibilities under Section 172 of the Companies Act 2006 in reaching its decision.

Following careful consideration, the Board concluded that the sale of the NanoScience business was in the best interests of the company and its shareholders, while also having due regard to employees and other stakeholders.

Corporate governance report continued

Section 172(1) Statement

During the year to 31 March 2026, 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:

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

In addition to the detailed disclosure which demonstrates how the Board has had regard to these matters in the preceding Board activities and How we engage with stakeholders section on pages 112 to 119, further examples can be found in the following sections of this Annual Report.

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-driven approach	8
	Our strategy	33 to 38
	Risk management	79 to 95
Interests of employees	Employee engagement	113
	Our purpose-driven approach	8
	Sustainability	51 to 78
Fostering business relationships with suppliers, customers and others	Engagement with suppliers	115
	Engagement with customers	112
	Supply chain practices	77
Impact of operations on the community and the environment	Sustainability	51 to 78
	Our purpose-driven approach	8
Maintaining a reputation for high standards of business conduct	Compliance	76 to 78
	Anti-bribery and anti-corruption	76
	Human rights and modern slavery	77
	Privacy and data protection	78
	Data security	78
	Whistleblowing	132
	Export Control Policy	76
Acting fairly between members	Shareholder engagement	114
	Our people	113

Corporate governance report continued

Monitoring culture

Our Ways of Working framework, set out on page 8, provides the foundation of our values and, in turn, our culture at Oxford Instruments.

The Board recognises its responsibility to oversee and promote a culture that supports the company's purpose, values and long-term success. Culture is monitored through a range of formal and informal mechanisms, including employee engagement activities, site visits, workforce surveys and whistleblowing arrangements.

The Audit and Risk Committee receives regular reports on matters raised through the company's whistleblowing processes, including the nature of cases, investigation outcomes and any remediation actions. The Committee considers whether issues identified may indicate broader cultural or behavioural themes and, where appropriate, escalates relevant insights to the Board.

Mechanisms for monitoring and embedding culture

Senior Management interaction

Various members of the senior management team attend Board and Committee meetings to present on their areas of responsibility. This gives the Directors insight into how leadership culture is embedded beyond the Executive Directors.

Directors also have the opportunity to meet with members of the senior membership team in more informal settings.

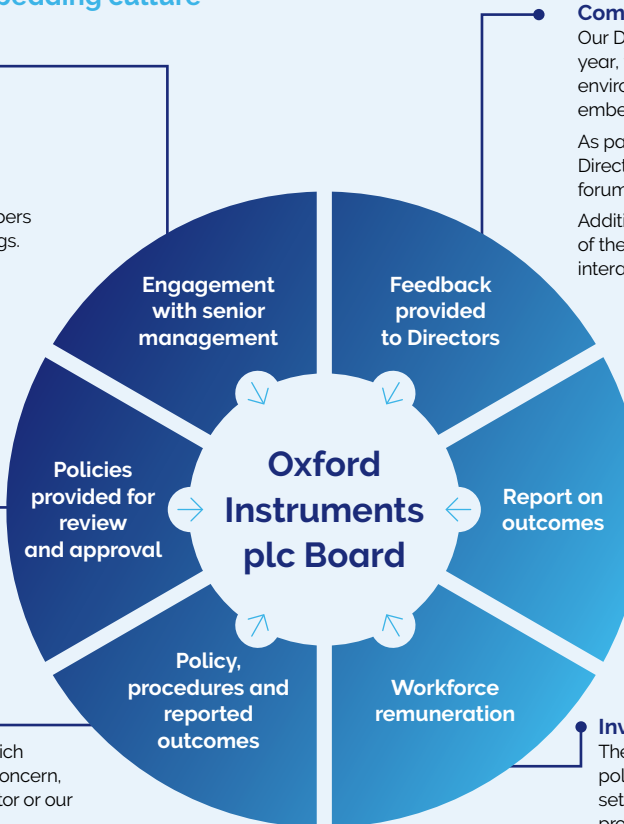
Code of Conduct

Workforce policies and our Code of Conduct underpin our values and culture. Each of our employees is required to read our Code of Conduct and complete mandatory training when they join the Group, and at least annually thereafter. Training completion rates are monitored by the Audit and Risk Committee. The Board periodically reviews these policies to ensure they remain appropriate and support the expected behaviours and values across the Group.

Workforce concerns

The Board has approved the policy and procedures which enable and encourage employees to raise matters of concern, either with management, the Senior Independent Director or our dedicated, confidential third party hotline, SafeCall.

The Audit and Risk Committee receives a report from the General Counsel at least annually detailing all such matters raised and the outcomes of the associated investigations. If a serious matter is alleged, it is notified immediately to the Chair of the Audit and Risk Committee and/or the Chair or Senior Independent Director as appropriate. This oversight supports the Board in assessing whether the company's values and expected behaviours are being consistently embedded across the organisation.



Company site visits and employee insights

Our Directors undertake site visits to different sites each year, which provides first-hand experience of the workplace environment, health & safety processes and how culture is embedded throughout the Group.

As part of these site visits, the Chair and Non-Executive Directors meet with groups of employees in an open discussion forum which gives them further insight into the Group's culture.

Additionally, the CEO and Chief HR Officer routinely visit various of the Group's sites and report back to the Board on their interactions and discussions with employees.

Employee engagement survey

The Group conducts an externally benchmarked periodic engagement survey covering a broad range of topics, including specific questions on the Group's culture, Ways of Working and whistleblowing arrangements. The results of the survey are reported to, and discussed by, the Board giving them insight into how culture is embedded throughout the Group.

Investing and rewarding employees

The Remuneration Committee reviews workforce remuneration policies, including gender pay gap data. The Committee also sets the targets applied to the Group's share based incentive programme and annual bonus targets for senior management to ensure that incentivisation metrics are aligned with the Group's culture and the Board's long-term strategy.

As part of the performance development review process, managers assess employees not only on delivery of objectives but also on how those objectives are achieved, including performance against Oxford Instruments' Ways of Working. This helps embed the company's values and expected behaviours across the workforce.

Corporate governance report continued

Board effectiveness

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

In line with our three-year cycle, the FY26 Board evaluation was carried out internally. Each Director completed a detailed questionnaire covering a wide range of topics, including strategy, Board composition and diversity, Board dynamics, risk management and internal control, workforce engagement, Director development, the operation of the Board and its Committees, and the performance and contribution of the Chair and the Senior Independent Director.

The Company Secretary collated and summarised the responses, providing the Chair with the key themes and all verbatim comments, except those relating to the Chair's own performance, which were shared directly with the Senior Independent Director. The Chair then met individually with each Director to explore their feedback in more depth. The collective findings were subsequently discussed at a Board meeting.

The Directors confirmed that the outcomes from the prior year effectiveness review, which was externally facilitated by Round Governance Services, had been effectively addressed during the year:

- Strategy updates were a standing agenda item for each meeting, along with more time being allocated to deep dives of key elements of the strategy.
- The Board had more interaction with members of the Senior Leadership Team, both through formal updates to the Board as well as informal engagement outside of Board meetings.
- The Board further developed their knowledge and understanding of technology and the investment pipeline, through sessions at Board meetings delivered by subject matter experts.

With regards to FY26, the Board effectiveness review confirmed that the Board is operating effectively, with strong engagement, constructive challenge and a clear focus on long-term value creation. The Board reaffirmed the importance of continued oversight of strategy, maintaining discipline around M&A while prioritising organic growth and the funding required to support it.

The Board acknowledged that it does not currently meet the Parker Review recommendation and agreed that diversity will continue to be a key consideration in future succession planning. Workforce engagement activities were valued by both Directors and employees. The Board agreed to place continued emphasis on these activities, including enhanced engagement at the annual Leadership Conference and site visits, to provide broader exposure to senior management beyond the Executive Leadership Team.

The review highlighted continued strengthening of risk oversight, with the risk appetite workshop seen as particularly valuable. As a result, the Board agreed to enhance the mapping of principal risks to Board agenda items and to continue regular risk-focused discussions.

Board information and development

The Chair ensures that Directors are well informed on matters considered at Board meetings and that they receive accurate, timely and relevant information necessary to support effective decision making. To enable the Board to carry out its responsibilities, Directors are provided with comprehensive briefing materials in advance of meetings. The Board's Committees are also supported with the resources they need to fulfil their roles, including access to internal expertise and external advisers where appropriate. Where Directors consider it necessary to do so in order to discharge their duties, they may seek independent professional advice at the Company's expense.

All Directors also have access to the Company Secretary, who provides guidance on governance matters and supports the Board in meeting its obligations.

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, external counsel, an external AI subject matter expert and internal subject matter experts.

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 Executive Leadership Team, meetings with various functional and regional heads, and the opportunity to meet with a range of employees across the business.

Board diversity

The Board is committed to fostering diversity and inclusion within its membership. We recognise that a broad mix of backgrounds and perspectives – including gender, ethnicity, religion, disability, sexual orientation, socio economic background, age and a range of cognitive and personal strengths – contributes meaningfully to an effective and well rounded Board. While we believe diversity is an important component of Board effectiveness, we do not consider it appropriate to expand the Board solely for this purpose.

Corporate governance report continued

Instead, diversity remains a key consideration within the broader set of skills and experience we assess whenever a new appointment is required.

The Board's tenure, gender and ethnicity are set out on page 105. The Board's diversity policy and plans and progress against the recommendations of the FTSE Women Leaders Review and the Parker Review are described in the Nomination Committee Report on pages 123 to 126.

Board independence

At the end of the financial year, the Board consisted of seven Directors: the Chair (who was considered independent on appointment), four independent Non-Executive Directors as confirmed through the Board's annual assessment, and two Executive Directors – the Chief Executive Officer and the Chief Financial Officer. This composition meets the Code's recommendation that at least half of the Board, excluding the Chair, should be independent Non-Executive Directors.

Our Board Committees also continued to operate in line with the Code's requirements throughout the year. Details of each Committee's membership and work can be found in the individual Committee reports within this Annual Report.

External commitments

The Board is attentive to the time commitments required of our Non-Executive Directors to carry out their responsibilities effectively. Before joining the Board, prospective Directors share details of any existing roles or significant commitments that could affect their availability. Directors are expected to keep the Board informed of any new external appointments, and any such appointment requires the Chair's approval. We monitor external commitments to ensure each Director continues to have sufficient time to fulfil their duties. Further details on each Director's background and significant commitments are provided in the Board biographies on pages 102 to 104.

During the financial year and up to the date of signing the Annual Report, Alison Wood resigned as Non-Executive Director and Chair of the Remuneration Committee of TT Electronics plc; Hannah Nichols was appointed as Chief Financial Officer of Coats Group plc; Richard Tyson stepped down as the Senior Independent Director and a Non-Executive Director of Videndum plc; and Neil Carson stepped down as a Non-Executive Director of Shell plc.

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. The system for monitoring potential Director conflicts remained effective throughout the period.

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 2025 AGM, all Directors on the Board at that time were reappointed by shareholders with majority votes ranging from 94% to 100%. Paul Fry was appointed to the Board as an Executive Director in his capacity as Chief Financial Officer on 1 April 2025, and was therefore elected by shareholders for the first time at the 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 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 re-election, can be found on pages 102 to 104. More information regarding the Board and the Director performance review process is set out on page 121.

Nomination Committee report

NEIL CARSON
Chair



Committee membership

The current members of the Committee are:

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

- For details of attendance at Committee meetings during the financial year, see page 106.
- For the biographies of all Committee members, see pages 102 to 104.

Dear Shareholder,

I am pleased to present the report of the Nomination Committee for the year ended 31 March 2026.

This has been a stable year for the Board, with no changes to its composition. As a result, the Committee met once during the year, focusing primarily on our ongoing succession planning for the Board and senior leadership.

Although activity has been limited, the Committee remains committed to ensuring the Board retains the right balance of skills, experience and diversity to support the Group's long-term strategy. The Nomination Committee's work focuses on ensuring the Board has the right mix of skills, experience and perspectives to support the Group's long-term success. Our responsibilities include overseeing succession planning for the Board and senior leadership, monitoring the balance of skills and diversity on the Board, and reviewing the findings from the annual Board evaluation that relate to composition and leadership needs.

When Board appointments are required, the Committee identifies and recommends suitable candidates and ensures that any new Non-Executive Director receives a clear outline of their responsibilities. We also keep under review the time commitments of Non-Executive Directors and make recommendations to the Board on matters such as reappointments, re-elections and committee membership.

At the end of the year, the Board did not meet the Parker Review recommendation to have at least one Director from an ethnic minority background. The Board has considered this position carefully and does not believe it would be appropriate to appoint an additional Director solely to meet this recommendation.

Diversity, including ethnicity, remains a high priority for the Board and will be a key consideration in future succession planning. When the next Non-Executive Director appointment is made, the Board will seek a diverse candidate pool, alongside ensuring that the selected candidate brings the skills, experience and perspectives required to support the company's strategy and long-term success. The Board will also keep under review whether an expansion of the Board would be appropriate as part of this process.

I would like to thank my fellow Committee members for their continued support during the year, and I look forward to updating shareholders on our progress in next year's report.

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

8 June 2026

Nomination Committee report continued

Key responsibilities

1. Board composition:

The Committee keeps the structure, size and composition of the Board under review, considering the balance of skills, experience, knowledge and diversity needed for effective leadership.

2. Succession planning:

We oversee plans for the orderly succession of Board members and the Executive Leadership Team, ensuring a strong and diverse pipeline that reflects the company's future needs and the opportunities and challenges it faces.

3. Leadership needs:

The Committee reviews the leadership requirements of the organisation – both Executive and Non-Executive – to help ensure the company has the capability to compete effectively and deliver its strategy.

4. Board appointments:

When vacancies arise, we identify and recommend suitable candidates for Board approval. Before any appointment, we assess the existing balance of skills and experience and define the role requirements, including the expected time commitment.

5. Onboarding:

We ensure that all newly appointed Non-Executive Directors receive a clear and comprehensive letter of appointment setting out their responsibilities.

6. Board evaluation insights:

The Committee considers the findings from the Board evaluation process relating to Board composition and succession planning.

7. Time commitments:

We review annually the time required of Non-Executive Directors to ensure they can continue to meet their obligations.

8. Recommendations to the Board:

The Committee advises the Board on:

- updates to the succession planning approach;
- candidates for new appointments and succession to existing roles;
- Committee membership across the Audit and Risk, Remuneration and Sustainability Committees;
- reappointment of Non-Executive Directors at the end of their terms;
- Directors standing for re-election by shareholders;
- any matters relating to the continuation in office of a Director; and
- appointments to executive or other roles as appropriate.

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. Regular attendees at meetings may include the Chief Executive Officer, Chief Financial Officer and Chief HR Officer, where appropriate. The Company Secretary is the secretary to the Committee.

Committee performance review

During the year, an internal performance review of the effectiveness of the Board and its Committees was conducted. More information can be found on page 121. The review found that the Committee functions effectively.

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 Officer 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.

Nomination Committee report continued

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.

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 fostering a genuinely diverse and inclusive environment at Board level. We recognise that a broad mix of backgrounds and perspectives is essential to effective decision making. Our approach to diversity goes beyond gender and ethnicity to include age, disability, and social and educational backgrounds, among other characteristics. We remain focused on maintaining a balanced and diverse Board, and on supporting strong representation across the wider organisation as well.

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).

Future Board appointments will continue to be made on the basis of merit, using objective criteria to ensure we identify and select the strongest candidates for each role. We aim to draw from a broad and diverse talent pool, and when we engage executive search firms, we do so only with those that have adopted the Voluntary Code of Conduct for Executive Search Firms. On this basis we remain committed to meeting the recommendation of the Parker Review.

In line with the Parker Review, we are also developing a target for the proportion of senior management roles to be held by individuals from ethnic minority backgrounds by the end of 2027. As an international business, we recognise the value of strong, ethnically diverse leadership and the importance of building decision making teams that reflect our customer base and the communities in which we operate.

As of the date of the Annual Report, the Senior Leadership Team comprises 14 persons, of whom 28.6% 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 2026, we published our third year of ethnicity pay gap data. All colleagues have been invited to self-report their ethnicity and 96% of our UK employees have now done so. We continue to encourage disclosure to support our understanding and inform our actions. The data shows that in April 2025, 13% of the 1,117 colleagues working for Oxford Instruments in the UK identified as being part of an ethnic minority group, an increase of 1% from the previous year. The analysis shows that there was an ethnicity pay gap in mean and median pay across the UK workforce. The mean gap was 12%, while the median gap was 14%. The gap in both measures was reduced versus the previous year (by 3.2% and 1.1% respectively). This was largely helped by an increase in representation in the highest pay quartile. We are committed to ensuring equity of opportunity and remuneration.

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 2026, 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 line with the UK Financial Conduct Authority's Listing Rule 6.6.6 R (10), the tables below set out the sex and ethnic background of the Oxford Instruments plc Board and the Senior Leadership Team as at 31 March 2026.

We collected this information in two ways. For Board members, we asked them to complete a questionnaire covering their skills, experience and diversity characteristics, including sex and ethnic background. For the Senior Leadership Team, we drew on data voluntarily provided through our employee records, which individuals understand may be used both for disclosure and to help ensure our processes and pay practices are fair and equitable across race, ethnicity and other protected characteristics for which we hold complete data.

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	11	78.6%
Women	3	43%	1	3	21.4%
Not specified/prefer not to say	-	-	-	-	-

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in senior management	Percentage of senior management
White British or other White (including minority-white groups)	7	100%	4	10	71.4%
Mixed/Multiple ethnic groups	-	-	-	2	14.3%
Asian/Asian British	-	-	-	2	14.3%
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

Audit and Risk Committee report

HANNAH NICHOLS
Chair



Committee membership

The current members of the Committee are:

Hannah Nichols (Chair)
Alison Wood
Sir Nigel Sheinwald
Rowena Innocent

- For details of attendance at Committee meetings during the financial year, see page 106.
- For the biographies of all Committee members, see pages 102 to 104.

Dear Shareholder,

I am pleased to present the Audit and Risk Committee's Report for the year ended 31 March 2026. The purpose of this report is to outline the role of the Committee, provide insight into our activities and demonstrate how we have discharged our responsibilities effectively during the year.

External audit

During the year, the Committee accelerated the external audit tender, having regard to the Group's growth and the importance of maintaining consistently high standards of audit execution. The Committee engaged with the Financial Reporting Council (FRC) to address auditor independence requirements applicable to Public Interest Entities as certain firms had provided non-audit services to the Group during FY26 which would, absent regulatory consent, have restricted their participation in the tender. The Committee therefore sought and obtained explicit exemptions from the FRC to allow these firms to participate, ensuring the tender remained competitive.

Following a comprehensive evaluation, the Committee recommended the appointment of Deloitte LLP as external auditor, which the Board accepted. More detail on the audit tender process is given on pages 135 to 136.

In light of the timing of the external audit tender and the transition to a new auditor during the year, the Committee did not request a formal half-year review. Instead, Deloitte LLP performed a number of accelerated audit procedures in respect of key financial areas to provide the Committee with appropriate comfort over the integrity of the Group's financial information. The Committee considered this approach to be appropriate in the circumstances and remained satisfied that it had discharged its responsibilities for oversight of financial reporting during the period.

Financial Reporting Council review

During the year, the company's Annual Report and Accounts were subject to a routine review by the FRC's Corporate Reporting Review team. The review did not give rise to any questions or substantive correspondence, although the FRC provided a number of observations where users of the accounts may benefit from enhanced disclosure in future reporting. The Committee has considered this feedback as part of its ongoing commitment to high-quality, clear and transparent reporting.

Risk management, internal control and readiness for Provision 29

The company has continued to strengthen its internal control and risk management capability during the year including refining the risk appetite framework and establishing target risk scores for each principal risk. The Committee has regularly reviewed the principal risks faced by the Group over the year, including the process for identifying, evaluating and managing those risks.

The Committee has spent time assessing readiness for compliance with Provision 29 of the UK Corporate Governance Code 2024, which will apply to the company for the financial year ending 31 March 2027, and requires the Board to make a declaration on the effectiveness of the company's material controls as at the balance sheet date. The Board recognises that alignment with Provision 29 is an ongoing journey and, while good progress has been made, further work remains, particularly in relation to IT controls and control documentation, as we continue to enhance the maturity of the Group's internal control framework. More detail on the work conducted is given on pages 132 and 133.

Audit and Risk Committee report continued

Information and cyber security

In light of the evolving risk environment in respect of cyber threats, maintaining a high level of 'cyber hygiene' and resilience is critical to the long-term sustainable success of the company's operations. As such, the Committee continued to closely monitor the Group's cyber security risk management processes and governance systems during the year and received an update from the Chief Information Officer on progress with maturing the Group's IT General Controls. The Chief Information Security Officer was appointed during the year and provided an update to the Board covering an overview of the cyber threat landscape, the company's cyber approach, an assessment of effectiveness of cyber security controls and the information security roadmap for continuous improvement.

Performance evaluation

I am pleased to report that, based on the results of the 2026 performance evaluation, the Board members continue to consider the Committee to be thorough and effective in fulfilling its responsibilities. More information concerning the evaluation process can be found in the Corporate Governance Report on page 121.

Additional information concerning the Committee's activities during the year can be found later in this report. 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

8 June 2026

Composition and experience

The Committee comprises all of the independent Non-Executive Directors, who were appointed to the Committee by the Board following recommendations by the Nomination Committee. All Committee members contribute to the work of the Committee and bring a balance of financial, risk management, commercial acumen and industry experience, and are considered by the Board to be collectively competent in the sector in which the company operates. The Company Secretary is the secretary to the Committee.

The Board considers that Hannah Nichols, who is the serving CFO of Coats Group plc and a qualified chartered accountant, has recent and relevant financial experience. Further information concerning the Directors' skills and experience can be found in the Corporate Governance Report on pages 102 to 106.

Meetings and activities

The Committee held five meetings during the year and all members attended all meetings. In addition to the Committee members, regular attendees include the Chair of the Board, CEO, CFO, Group Financial Controller, the Head of Internal Audit and the External Auditor. The Committee meets privately with the Head of Internal Audit and the External Auditor without management present regularly throughout the year.

The Committee has a structured, rolling annual planner which is developed with the Company Secretary and designed to ensure that the Committee's responsibilities are discharged in full during the year as well as to facilitate more in-depth reviews into topics which are of particular importance.

Financial reporting

One of the Committee's principal responsibilities is to review the half-year and full-year financial statements including the appropriateness and application of accounting policies, the adequacy of disclosures, and the quality, balance and completeness of the associated narrative reporting. Further information on these topics can be found as follows:

- Accounting policies and practices applied (pages 184 to 191).
- Material accounting assumptions and estimates made by management (Note (b) on page 185).
- Significant judgements and key audit matters identified by the External Auditor (pages 241 to 249).
- The effectiveness of internal financial controls (page 133).
- Whether the Report and Accounts, taken as whole, is fair, balanced and understandable (page 131).

Audit and Risk Committee report continued

Significant financial judgements, key assumptions and estimates

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 section summarises the significant judgements and estimates considered by the Committee in relation to the Financial Statements for the year ended 31 March 2026 and how they were addressed.

Issue	Assumptions or estimates	Outcomes
Revenue recognition		
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.	Following the divestment of NanoScience, revenue recognition has been significantly simplified, driven by incoterms and the timing of installation obligations. Management are comfortable that appropriate cut-off procedures are in place and that revenue has been recognised in line with Group policy.	The Committee reviewed management's reports on the approach to revenue recognition and assumptions used, including in relation to revenue cut-off testing. The Committee concluded that management's approach to revenue recognition was reasonable and controls around revenue cut-off were adequate.
Valuation of the inventory provision		
There is a risk that inventory is not valued appropriately because of local sites not correctly applying the group provisioning accounting policy to appropriately write-down the net realisable value of excess and obsolete stock.	Inventory provisioning 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 Committee reviewed management's reports on the application of the provisioning accounting policy, with a particular focus on the provisioning in Advanced Technologies given the business growth. The Committee concluded that management's approach to the valuation of the inventory provision was reasonable.
Goodwill and other intangibles assessment		
Management carries out annual assessments of all cash-generating units (CGUs) with goodwill by comparing their carrying value to their value in use to determine if there is any impairment.	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. In prior years, management used an initial cash flow forecast of three years, but this has been extended to five years to better align with the Group's business model and strategic planning cycle.	The Committee reviewed management's reports on the key assumptions with respect to goodwill. We also challenged the downside sensitivity analysis undertaken. The Committee reviewed management's forecasts for future performance and challenged the assumptions adopted. Particular focus was given to the Andor CGU given there was an impairment in the prior year. The Committee was satisfied there was now significant headroom on the Andor CGU, and no further concern for impairment. The Committee concluded that the carrying values of acquired assets are reasonably and appropriately supported by the cash flow projections.

Audit and Risk Committee report continued

Other matters related to the financial statements

Disposal of NanoScience

The Group announced the disposal of its NanoScience business on 10 June 2025 and this disposal was completed on 2 January 2026. Accordingly, the financial results of NanoScience have been treated as a discontinued operation in the Annual Report. This requires the restatement of prior year comparatives and reallocation of directly attributable costs to the discontinued line within the income statement. The gain on disposal of the NanoScience business net of tax was £6.8m and the impact of discontinued operations is disclosed in Note 13 to the Financial Statements.

Adjusting items

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 totalled £16.5m as set out in 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 in line with the Group's new policy on adjusting items. Further, the Committee is satisfied with the presentation of these adjusting items in the 2026 Financial Statements.

Share buyback

Following the disposal of NanoScience, the Group commenced a share buyback programme aimed at repurchasing up to £50m of its ordinary shares and subsequently announced a further £50m tranche to follow on immediately after completion of the first tranche. As of 31 March 2026, approximately £12m of the second tranche buyback was completed.

Further details relating to the share buyback programme are given on page 16. The Committee reviewed the associated accounting treatment and appropriateness of the disclosures made in this Annual Report and concluded that it was satisfied with both the accounting treatment and the disclosures.

UK defined benefit pension scheme valuation

On 5 December 2025, the Trustee of the Oxford Instruments Pension Scheme completed the purchase of a bulk annuity policy (buy-in) with Royal London Mutual Insurance Society Limited to insure all members' Scheme benefits. Pension contributions by the company have ceased from November 2025, with contributions for FY26 totalling £5.3m.

Following the purchase of the bulk annuity policy, and in accordance with IAS 19 accounting standards, the value of the policy as an asset of the Scheme is set to the same value as the Scheme liabilities covered by the policy, calculated using the current IAS 19 actuarial assumptions for the defined benefit obligation. The Committee concluded that the valuation is reasonable and appropriately supported by the valuation conducted by an external actuary, Aon Hewitt.

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 95 to 96.

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 five 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.

R&D cost capitalisation

The Group has a policy to capitalise development expenditure if there is a plan or a design for production of new or substantially improved products. Under IAS 38, there is a strict criteria for demonstrating commercial and technical viability. The Committee reviewed the appropriateness of any costs capitalised against IAS 38 criteria and concluded that the capitalised costs were appropriate.

Audit and Risk Committee report continued

Taxation

The Group carries tax provisions in relation to uncertain tax positions arising from possible outcome from negotiations with tax authorities. Additionally, the assessment of the NanoScience disposal's tax impact required a degree of judgement and complexity, particularly in reviewing valuations on a country-by-country basis to calculate taxable exit charges. The Committee reviewed management's judgements in relation to uncertain tax provisions recognised as well as the process followed to determine the disposal tax impact of the NanoScience sale. The Committee concluded that both calculations were appropriate.

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 Deloitte's report on unadjusted audit differences and these were discussed by the Committee in June 2026. 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 2026 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 2024 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 from reading the two sections independently?
- 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.

Corporate Reporting Review

The company was notified that the FRC's Corporate Reporting Review team carried out a review of the company's Annual Report and Accounts for the year ended 31 March 2025 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. The review was based solely on the Annual Report and Accounts and did not benefit from detailed knowledge of the company's business or an understanding of underlying transactions entered into. The review provides no assurance that the Annual Report and Accounts are correct in all material respects and the FRC accepts no liability for reliance on it by the company or any third party, including but not limited to investors and shareholders. The FRC did not raise any questions or queries as an outcome of its review, although it did note a number of matters where it believes that users of the accounts would benefit from improvements in the company's reporting.

The Committee reviewed the findings of the review and confirms that all matters noted by the FRC have been addressed in the annual report and accounts for the year ended 31 March 2026.

Audit and Risk Committee report continued

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. Employees can also make reports to their manager, HR or a member of the Executive Leadership Team, as well as to the Senior Independent Director. Posters are located at all our sites giving details of the independent reporting service and the Whistleblowing Policy is available to employees on the company's intranet. All employees complete mandatory training on the Whistleblowing Policy each year and on the Code of Conduct, Anti-Bribery and Anti-Corruption Policy and the Conflict of Interests Policy. 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. All employees are required to complete annual 'speak up' training to ensure that they are aware of the company's policies and how they can raise any concerns.

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 March 2026. During the year, there was a mix of reports being made to our SafeCall service and directly to management or our Compliance email inbox. The number of reports made increased from the prior year suggesting that the focus on training and improving awareness of the company's whistleblowing channels through 2025 has been successful. The reports covered a broad spectrum of business areas and regions and no recurring themes or pervasive issues have been identified.

Anti-bribery and Anti-corruption

The company has a formal anti-bribery and anti-corruption policy, which is available to all employees on the company's intranet, and is part of the mandatory annual training programme for all employees. The Committee receives an annual update from management on the Group's anti-bribery and anti-corruption compliance programme. This review includes a summary of activities across the UK Ministry of Justice's six key principles of proportionate procedures, top level commitment, risk assessment, due diligence, communication and training, and monitoring and review.

Risk management and internal control

The Board monitors and approves the Group's risk management and internal control systems and keeps their effectiveness under review. A summary of the company's risk management framework and activities undertaken during the year, as well as the Group's principal risks and mitigations, is set out on pages 79 to 95.

During the year, the risk management framework was further developed with risk appetite more clearly defined through the implementation of target risk scores, which were debated and approved by the Board.

The Committee regularly reviews the Group risk register, which includes climate change-related risks, 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 Group maintains an active horizon scanning process to identify emerging risks that may develop into principal risks over time.

The Board recognises its responsibility for establishing and maintaining a robust system of internal control and for monitoring its effectiveness on an ongoing basis. The Board views alignment with Provision 29 of the UK Corporate Governance Code as a progressive journey rather than a single point in time exercise. During the year, management continued to enhance the Group's internal control framework, with a particular focus on strengthening controls over financial reporting, embedding consistent risk and control assessment processes across the Group, and improving the quality and consistency of supporting documentation. These actions build on the foundations already in place and reflect the Board's expectation that effective controls should evolve in line with the scale and complexity of the business.

The Board and Audit and Risk Committee have identified a number of areas where further work remains. These include the continued maturity of IT general controls, particularly in relation to access management and systems dependencies, the consistency and depth of control documentation across all business units, and the embedding of standardised control practices. Addressing these areas is a key focus of the Group's ongoing internal control enhancement programme.

Internal audit plays an important role in supporting this journey by providing independent assurance over the design and operating effectiveness of key controls, identifying gaps and areas for improvement, and monitoring the timely completion of agreed management actions. The Audit and Risk Committee regularly reviews internal audit findings and themes and uses these insights to inform priorities and assess progress in strengthening the control environment.

Further enhancements to the internal control framework are planned as part of a multi-year programme to increase the maturity and consistency of internal controls across the Group, with the objective of continuing to improve the effectiveness of risk management and internal control in line with the principles of Provision 29.

Audit and Risk Committee report continued

Risk management and internal control continued

The Board expects that, by the end of the next financial year, the Group will have reached a sufficient level of maturity in its internal control framework to enable the Board to make the declaration required under Provision 29 of the 2024 Code. This will be based on management's assessment of the effectiveness of key controls, supported by internal audit assurance and the remediation of identified weaknesses. Until that time, the Board will continue to monitor progress closely and to enhance the framework where necessary.

Internal audit

A new, dedicated Head of Internal Audit commenced leadership of the internal audit function 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 has 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 and meets regularly with the Committee without management present. The internal audit function also continues to benefit from a co-sourcing relationship, whereby an external service provider has been engaged to supplement work on internal audits focused on financial controls and to provide support in other areas where specific subject matter expertise is required or advantageous.

Developments in the internal audit function during the year included documentation of an assurance strategy setting out priorities and deliverables for FY26, refreshing of the Audit Charter which now defines the mission, vision and scope of Internal Audit & Risk activities for the Group and the introduction of action tracking metrics to gauge management's effectiveness in addressing audit and risk actions.

Internal audit plan

The annual internal audit plan for FY26 was approved by the Committee at its meeting in January 2025 and progress against the plan is reviewed at each meeting. 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.

Internal audit effectiveness review

The Committee has a responsibility to carry out an annual assessment of the effectiveness of the internal audit function. During the year, Internal Audit KPIs were introduced which are reported against at each meeting, which enables the Committee to continuously assess the effectiveness of the Internal Audit function. Additionally, as part of its assessment in respect of the financial year ended 31 March 2026, the Committee liaised with the Head of Internal Audit, 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.

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.

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 Committees and the External Audit: Minimum Standard

The Audit and Risk Committee has discharged its responsibilities during the year in accordance with the Audit Committees and the External Audit: Minimum Standard, which is now fully incorporated into the UK Corporate Governance Code. This report describes how the Committee has met the provisions of the Standard including oversight of the external audit, assessment of the effectiveness of the audit process, auditor independence and objectivity, and the conduct of the external audit tender.

In addition to overseeing the audit tender process, the Committee regularly assesses the effectiveness of the external audit through consideration of audit planning, execution, reporting quality, communication with the Committee and the handling of significant judgements. The Committee also considers feedback from management, internal audit and regulatory reviews as part of this assessment.

Audit and Risk Committee report continued

External audit effectiveness review

The Committee is responsible for reviewing the effectiveness of the audit process, including assessing the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee. The Committee will review the audit process in respect of the financial statements for the year ended 31 March 2026, as soon as practicable post the conclusion of this work.

During and post the completion of the audit process in respect of the financial statements for the year ended 31 March 2025, the Committee reviewed the effectiveness of the external audit as described above. They ultimately decided to accelerate the external audit tender, not least due to the importance of maintaining consistently high standards of audit execution.

Audit Inspection Report

The company was notified that the FRC's Audit Quality Review team carried out an inspection of the audit of the financial statements of the company for the year ended 31 March 2025, conducted by BDO LLP. The audit quality assessment related only to those areas of audit work included in the Scope of Inspection which covered risk assessment and planning; execution of the audit plan; and completion and reporting, including the quality of communication with the Audit Committee. The review assessed the audit as 'limited improvements required' with findings relating to enhancements in documentation of audit procedures to evaluate and respond to General IT Control Deficiencies. BDO proposed remedial action including performing a precise revised risk assessment in response to significant GITC deficiencies for each of the related processes, balances, IT systems/applications and data, particularly in relation to the risk of fraud.

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 as part of the tender process and again in March 2026. The Committee confirmed that Deloitte remained independent and objective. See the Audit Opinion on pages 241 to 249 for further information regarding the independence of the auditor, Deloitte LLP.

Audit strategy

Following its appointment in October 2025, Deloitte presented its proposed audit strategy and transition plan for the financial year ended 31 March 2026 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 during the tender process. 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 Deloitte's proposed audit strategy and transition plan.

Auditor engagement policy

During the year, the non-audit services policy was expanded to document the company's approach to mandatory tendering process, management of non-audit relationships with audit firms and approach to hiring of former external auditor employees. The approval process for the provision of non-audit services by the auditor was amended to delegate the approval of non-audit services to the CFO or the Audit Chair up to the following financial limits:

Value of non-audit services	Approval required prior to engagement of Auditor
Up to £25,000	Chief Financial Officer
£25,001 to £50,000	Chair of the Audit Committee
Above £50,000	Audit Committee

The policy also includes a cap on non-audit fees payable to the external audit firm to no more than 70% of the average of the audit fees paid in the last three consecutive years and specifies which non-audit services are exempt from the cap, as well as documenting which services are not permitted to be performed by the external auditor, regardless of associated fee levels.

During the financial year, the Committee approved the provision of non-audit services by Deloitte amounting to £24k which, when considered in light of the audit fees amounting to £1,389k, represented less than 2% of the total fees payable to the auditor and its associates.

Audit and Risk Committee report continued

Auditor engagement policy continued

A further illustration of this comparison can be seen in the following table.

	Fees (£'000)	Proportion
Audit fees	1,389	98.3%
Audit-related assurance services	0	0%
Non-audit services	24	1.7%
Total fees payable to the auditor and its associates	1,413	100%

See Note 6 of the Financial Statements for further information regarding the external auditor's remuneration.

As disclosed on page 135, as part of the audit tender process an exemption was received from the FRC in relation to non-audit services provided by Deloitte LLP in the year, which ceased immediately upon Deloitte being notified of the audit tender process.

External audit tender

During the year, the Committee accelerated the external audit tender, having regard to the Group's growth and the importance of maintaining consistently high standards of audit execution. Accordingly, a formal, competitive tender process was conducted during the year in respect of the financial year to 31 March 2026 ('FY26').

Preparation

In advance of the tender the following tasks were performed by the Committee:

- Reviewed best practice guidelines on external audit tenders.
- Agreed the tender process timetable.
- Discussed the key attributes required from an external auditor and the Lead Audit Partner.
- Identified suitable firms to be invited to participate in the tender.

Selection of firms invited to tender

One of the Committee's main priorities was to include in the tender audit firms both with significant experience of auditing FTSE 250 businesses, and who have a higher degree of credibility in delivering high quality, robust and on-time audits. For this reason, the Committee decided to only include 'big 4' firms in the tender process. Of the 'big 4' firms, one was excluded as they were the company's main tax adviser. A second firm was unable to participate as they had a related party conflict. Of the two remaining 'big 4' firms, both had provided non-audit services to the company during FY26 which, under the relevant independence requirements, created a potential independence challenge. These services were limited in nature and were assessed by the Committee as not having a material bearing on the company's financial statements.

The Companies (Directors' Remuneration and Audit) (Amendment) Regulations 2025 (SI 2025/439) provides that the FRC may grant an exemption, upon request by a statutory auditor or an audit firm and on an exceptional basis, to prohibitions on the provision of non-audit services to a Public Interest Entity (PIE), thus allowing the applicant to tender for the audit of that PIE. Both firms made exemption applications to the FRC on this basis and the FRC granted a waiver to both firms enabling them to participate in the company's audit tender process.

See the Audit Opinion on pages 241 to 249 for further information regarding the independence of the auditor, Deloitte LLP.

RFP process

Both firms received a Request for Proposal (RFP) on 17 July 2025 outlining the selection criteria and further information in preparation for the presentations to the Committee. In addition to the RFP, and following the completion of the prepared NDA, secure access to the data room was provided to the shortlisted firms on 22 July 2025. Both firms were given the opportunity to meet with members of the Audit Committee, Executive Leadership Team and senior management to aid them in understanding our requirements and in preparing their proposal. Both firms also made site visits to some of the company's facilities to gain a better understanding of our operations.

Audit and Risk Committee report continued

Audit firm selection criteria

The selection criteria used in the audit tender was:

Strength, style and experience of the team

- Relevant experience of the partners and managers on the proposed team
- Details of the team roles and locations
- Personal fit with the company's management team and culture
- Approach to succession planning and how team continuity is ensured

Understanding of the company, and relevant experience and expertise in the company's industry

- Understanding of the company's business, strategy and risks, and how the audit will respond
- Industry experience and client base

Audit approach, methodology and quality

- Overall approach to the audit, including risk assessment and reliance on controls
- Approach to determining materiality and audit scope
- Use of technology and innovation in the audit
- Approach to addressing key company and industry-specific risks and challenges
- Process for ensuring audit quality
- Approach for resolving accounting and reporting issues

Communication and reporting, including project management and meeting deadlines

- Approach to client relationship management and communication with the Audit Committee
- Approach to working with operational management and corporate functions
- Details of how the firm will project manage a successful audit process

Proactivity, value and insights

- Examples of how the firm can provide additional value beyond the core audit services
- Commitment to environmental, social and governance initiatives and alignment with the company's values

Approach to transition and first year audit

- Overview of transition plan and timetable for the first year audit
- Details on how auditor independence will be maintained, including any transition plans for non-audit services currently provided

Presentations to the Committee

Presentations to the Audit Committee were held on 19 September 2025 with a scorecard template used to assess each firm based on the selection criteria outlined in the RFP. The Committee remained involved throughout the tender process and the presentations were attended by members of the Committee, the Board Chair, the CEO, the CFO and senior managers from the Finance team.

Recommendation to the Board

Following a comprehensive evaluation, the Committee recommended to the Board the appointment of Deloitte LLP ('Deloitte') as external auditor and the Board accepted this recommendation. The Committee is satisfied that the selected firm demonstrated the strongest capability to deliver a high quality, independent audit.

Date of change in auditor

BDO resigned as the company's auditor on 20 October 2025 and deposited a statement with the company confirming that there are no circumstances in connection with its resignation that should be brought to the attention of the member of creditors of the company under Section 519 of the Companies Act 2006. Deloitte was appointed as the company's auditor on the same date and a proposal to appoint them as auditor of the company will be subject to the approval of shareholders at the 2026 Annual General Meeting.

Appointment of external auditor

Deloitte has expressed its willingness to continue as auditor of Oxford Instruments plc and separate resolutions will be brought to the Oxford Instruments plc 2026 AGM, proposing Deloitte's appointment as auditor and to authorise the Board, through the Committee, to negotiate and agree its 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.

Sustainability Committee report

SIR NIGEL SHEINWALD
Chair



Committee membership

The current members of the Committee are:

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

- For details of attendance at Committee meetings during the financial year, see page 106.
- For the biographies of all Committee members, see pages 102 to 104.

Dear Shareholder,

I am pleased to present the report of the Sustainability Committee for the year ended 31 March 2026. The Committee has overseen a broad agenda across environmental, social and governance (ESG) issues and continued to challenge and support management in delivering the Group's long-term sustainability commitments.

During the year, we maintained close oversight of the Group's progress towards achieving its net zero targets for Scopes 1 and 2 by 2030 and its focus on Scope 3 emissions, building on the foundations set in FY25. We have continued to include ESG metrics for the FY26 LTIP, specifically relating to Scope 1 and 2 emissions reductions, to align long-term incentives with the achievement of our net zero plan.

We have made substantial progress against our net zero targets for Scope 1 and 2, with 25% reduction as at the end of the year. In line with our transition plan, activities to replace our fossil fuel boilers have continued and the oil-fired boilers at our NanoScience site were replaced with electric heating, cutting emissions by 271 tCO₂e before its sale in January 2026. The Committee continues to monitor progress with other actions to deliver our transition plan and meet our targets.

There has been good progress in Scope 3 supplier engagement, including supplier questionnaires, RFQ carbon related questions, and engagement with international and UK business unit key suppliers. These efforts will improve emissions data quality and enable sustainability considerations to be embedded into procurement decision making. Full carbon footprints were undertaken during the year for a sample of two products in anticipation of increased customer requirements and forthcoming regulation.

We also reviewed progress across key social areas, welcoming updates on programmes aimed at improving inclusion and the broader rollout of training and development initiatives supporting career progression across the organisation. The updated internal Ways of Working model continued to be embedded across the Group.

In addition to updates on environmental and social activities, we reviewed the Group's sustainability governance agenda and received detailed updates regarding emerging UK Government consultations on sustainability reporting and the potential impact of new requirements.

We were pleased to note that MSCI, a leading provider of critical decision support tools and services for the global investment community, has continued to rate our ESG practices as AA for a third year.

The Committee has overseen another year of significant activity and progress, particularly in refining the Group's environmental strategy, strengthening the foundations required for future regulatory compliance, and continuing to embed a culture of inclusion and responsible business practices.

Our integrated Sustainability Report is available on pages 51 to 78 and includes our Task Force on Climate-related Financial Disclosures Statement, as set out on pages 60 to 68. 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.

SIR NIGEL SHEINWALD
Chair of the Sustainability Committee

8 June 2026

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 and this year held four 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 page 121. The review found that the Committee functions effectively.

How the Committee spent its time during the year ended 31 March 2026

The Committee's responsibilities, as outlined in its terms of reference, continue to shape its work and guide its agenda. In addition to these core duties, the Committee also considers other matters referred by the Board that fall within its remit.

The Committee's key activities and areas of focus during the year included:

- Staying informed on the progress of initiatives aimed at achieving the company's net zero targets.
- Receiving regular updates from the Chief Executive Officer and senior management on climate related issues.
- Received updates on emerging sustainability reporting requirements, including the UK Sustainability Reporting Standards, and will continue to monitor regulatory developments and their implications for the Group. This will remain an area of focus as the regulatory framework develops.
- Hearing from members of the internal Environmental Leadership Forum.
- Reviewing the annual assessment of social matters integral to the sustainability agenda and noting continued progress in areas such as inclusion and related internal programmes and measures.
- Considering the annual review of sustainability related governance activities, with attention to both internal developments and external factors influencing this element of the agenda.
- Following year end, reviewing and recommending to the Board the approval of sustainability related narrative reporting and external disclosures, including the integrated Sustainability Report (pages 51 to 78) and the Task Force on Climate-related Financial Disclosures Statement (pages 60 to 68).

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.

Directors' Remuneration report

ALISON WOOD
Chair



Committee membership:

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

Key responsibilities of the Committee:

- Determining the Policy for 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.
- Reviewing and noting Policy and trends across the Group and considering the Executive Directors' remuneration within this context.

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the year ended 31 March 2026. The report sets out our remuneration strategy, together with the key activities and decisions made by the Remuneration Committee during the year.

The report is presented in the following sections:

- My annual statement as Chair, summarising the work of the Committee during the year.
- At-a-glance summaries of the key remuneration outcomes for the year, and proposed Executive Director remuneration for 2026/27.
- The future Directors' Remuneration Policy, to be proposed to shareholders at the 2026 AGM (the 'new Policy' or the '2026/27 Policy').
- The Annual Report on Remuneration, detailing the remuneration outcomes for the year ended 31 March 2026 and the implementation of the Policy for the year ahead. The current Policy operated as intended during the year with no changes and the Committee did not exercise discretion.

Business context

The Group delivered a strong second half, with full-year performance slightly ahead of expectations despite significant disruption arising from a challenging geopolitical environment.

Underlying operating margin increased by 150 basis points, driven by strategic actions, operational efficiencies and cost reductions. Adjusted operating profit was £73.7m, following significant improvement in the second half ending down 1.6% on an organic constant currency basis, while adjusted earnings per share was 100.7p.

The year also saw meaningful strategic progress. Our simplified operating model, stronger commercial execution and operational excellence transformation have helped the business deliver resilient performance in a demanding external environment.

The divestment of NanoScience, completion of the UK defined benefit pension buy in, and extension of our share buyback programme were important milestones that further enhanced our financial flexibility, supporting our capital allocation priorities and sharpened our strategic focus. The divestment generated £42.4m of net cash, supported margin improvements and delivered significant shareholder value, with the share price increasing by 61% from announcement to the date of this report, compared with 8% growth in the FTSE 250 Index over the same period.

The Group exited the year with good momentum across structurally growing markets, a strong order book and a robust balance sheet. In Imaging & Analysis, new product innovation is further consolidating our technological lead and expanding commercial market opportunities. In Advanced Technology, our market-leading and differentiated technology positions us well to capture attractive market share opportunities and deliver sustainable profitable growth.

Against this backdrop, the Committee has proactively reviewed the executive remuneration framework to ensure it supports the next phase of the Group's strategy, centred on attractive organic growth and margin progression, and continues to align leadership with the principles of long-term value creation and shareholder outcomes.

Directors' Remuneration report continued

Operation of the Remuneration Policy in 2025/26 and incentive plan outcomes

Annual Bonus

The outcome for the 2025/26 annual bonus scheme was based on a combination of profit before tax (50%), adjusted operating profit margin (16.7%), cash conversion (16.7%) and non-financial strategic objectives (16.7%).

Against the stretching financial performance targets set, profit before tax was between threshold and target, operating profit margin achieved the maximum target and cash conversion was between target and maximum. Overall, this resulted in a payout, relating to the financial elements of the scheme, of 65.3% of salary for the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), out of the maximum opportunity of 150% of salary.

The non-financial strategic targets were based on (i) evolution of the business portfolio, and (ii) progress of our operational transformation programme. The CFO had a further objective in respect to the future ERP strategy. Having considered each element carefully, we determined achievement of 25% out of 25% of base salary opportunity for the CEO and 20% out of 25% of base salary opportunity for the CFO. The overall bonus achieved was therefore 90.3% and 85.3% of salary for the CEO and CFO respectively. One-third of the annual bonus will be paid in shares, which must be retained for three years. The former CFO also received a pro-rata award for the period of the year worked based wholly on financial performance in accordance with the exit arrangement. Details of the awards are included on page 158.

Vesting of LTIP awards made in 2023

Awards granted in 2023 under the Long-Term Incentive Plan (LTIP) to the CEO and the former CFO were based on Earnings Per Share (EPS) (30%), Return on Capital Employed (ROCE) (30%), Total Shareholder Return (TSR) (25%) and sustainability-related measures (15%).

Over the three-year period to 31 March 2026, EPS growth was slightly ahead of the threshold performance target. In the final year of the performance period, ROCE was midway between the threshold and maximum performance targets. TSR, whilst positive, was slightly below the median rank for threshold vesting. Performance against the sustainability measures was strong, achieving the maximum performance targets. As a result of this performance, the 2023 LTIP grant will vest at 42.8% overall. A two-year holding period applies to the vested award. The current Chief Financial Officer did not participate in this award.

The Committee believes that the variable pay outcomes provide 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.

Committee decision making

The Committee has consistently received strong shareholder support, reflecting our disciplined approach to remuneration design and outcomes. We have aspired to position remuneration at mid-market levels, ensuring a competitive position while avoiding excess. When the current Policy was approved in 2023, with 98% of shareholder votes, we took steps to modernise our framework and strengthen our ability to attract, retain and motivate high-calibre leadership in a responsible and transparent way.

Throughout my tenure as Committee Chair, we have maintained a clear and consistent link between pay and performance. We have not applied upward discretion and hold a high bar for the application of judgement in ensuring that incentive outcomes are fair, reflective of the performance delivered and aligned with shareholder interests.

This discipline is central to upholding the integrity of our remuneration framework and the trust placed in us by shareholders.

Remuneration continues to play an important role in supporting the long-term sustainability of the Group and aligning leadership with the delivery of long-term shareholder value.

Reviewing and strengthening our Remuneration Policy

This year, the Committee undertook a comprehensive review of the Remuneration Policy to ensure that it remains fit for purpose and fully aligned with the company's strategic priorities over the next three years.

The review was conducted against a backdrop of a fully established leadership team, a stabilised business, and a clearly defined next phase of our strategy. Over the last three years, the Policy has successfully supported the transition of both the CEO and CFO and has underpinned strong strategic progress.

While the current Policy has enabled the company to attract key executive talent, market benchmarking shows that CEO remuneration has now fallen below mid-market levels and that existing incentive opportunities are operating at their maximum permitted levels.

Engagement and governance

The Committee received advice from its independent Remuneration Adviser and undertook extensive engagement with the company's largest shareholders and proxy advisory bodies as part of the review process. Feedback from this engagement played a critical role in shaping proposed changes and refining the implementation of the Policy for 2026/27 and beyond.

Directors' Remuneration report continued

The Committee believes that this engagement has strengthened the alignment between the interests of shareholders and the proposed remuneration framework.

Linking reward to strategy and shareholder value

The Committee considers that executive remuneration should be closely aligned with the delivery of long-term shareholder value. As the company's strategy increasingly focuses on organic growth, margin progression and value creation opportunities, the Committee believes there is a clear opportunity to deliver enhanced long-term shareholder value and to further strengthen the connection between executive reward outcomes and strategic delivery.

We continue to believe that performance and value creation are best assessed using a range of measures that reflect both financial outcomes and the overall shareholder experience. Retaining and motivating our Executive Directors remains critical to translating the strong platform they have established into sustained long-term value creation.

Remuneration structure

As part of the Policy review, the Committee revisited its core remuneration principles to confirm that they remain appropriate for the company's next phase of development. While alternative remuneration structures were considered, including hybrid share plans combining performance-based and time-based restricted shares, we ruled them out. These alternatives were considered overly complex and risked diluting the strong link between pay and performance.

The Committee therefore reaffirmed that remuneration arrangements should be simple, transparent and performance-driven, with a clear emphasis on long-term outcomes and alignment with shareholder interests.

We believe that the combination of an annual bonus and a performance-based long-term incentive plan remains the most effective approach to motivate executives, promote retention within senior leadership and support delivery of our strategy over the long term.

The Committee is satisfied that the existing remuneration framework aligns with recognised best practice and good governance principles. Annual bonuses are subject to deferral, and the LTIP has a three-year performance period followed by a two-year holding period post-vesting. In addition, minimum shareholding guidelines apply both during employment and following cessation of employment.

To support our strategic ambitions, the remuneration framework must remain market-competitive, reinforce alignment with shareholder value creation through strategic delivery, and provide appropriate opportunities for exceptional rewards when exceptional performance is delivered.

Incentive opportunity

The primary enhancement under the new Policy relates to the LTIP maximum opportunity. The Committee intends to retain the current typical annual award level for Executive Directors of 200% of base salary, while introducing discretion to grant awards of up to 300% of base salary where appropriate.

The Committee believes that this enhanced flexibility better supports the creation of excellent long-term shareholder value through the execution of our highly attractive strategy, while maintaining a clear link between exceptional performance and the opportunity for exceptional rewards.

Where award levels are above the typical annual award level of 200% of salary, the Committee will apply appropriately higher levels of performance stretch when setting LTIP performance targets. This approach ensures that any additional compensation is directly linked to exceptional outperformance and the shareholder experience, demonstrating our continued commitment to robust pay-for-performance principles.

To facilitate this change, an additional resolution will be proposed at the 2026 AGM to amend the individual limit in the LTIP rules from 200% of salary to align to the limit in the Remuneration Policy, 300% of salary for this policy period.

The Annual Bonus structure will remain unchanged in terms of overall maximum opportunity, which will continue to be capped at 150% of salary, with an on-target award level at 75% of salary. However, to introduce greater flexibility and ensure appropriate incentivisation, the bonus payable for achieving the threshold performance target has been increased from up to 10% of the maximum bonus opportunity to up to 20% of the maximum.

Directors' Remuneration report continued

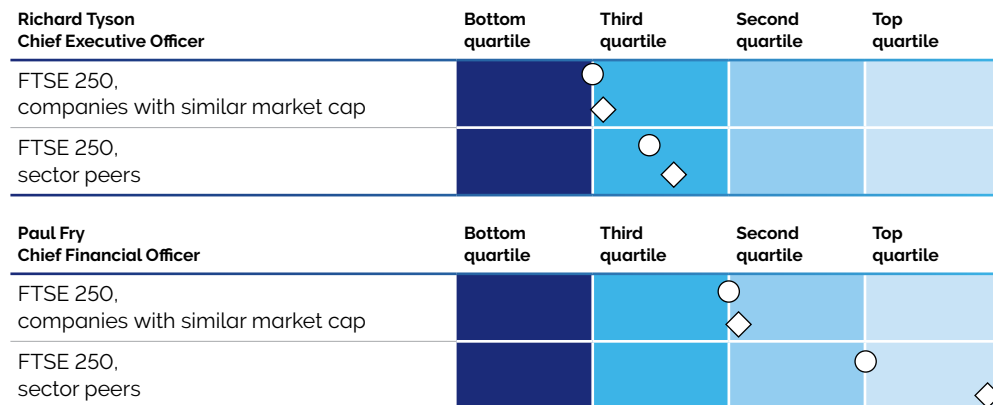
Operation of the Remuneration Policy in 2026/27

Base salary

As part of our holistic review of executive remuneration, we periodically review the competitive position of Director pay. The Committee considers market practice from a range of perspectives to ensure a fair and balanced approach:

- Market capitalisation: A peer group comprising the 20 companies ranked above and below Oxford Instruments based on market capitalisation, consisting of FTSE 250 constituents.
- Sector peers: A peer group comprising of eight companies operating in the same or similar sectors to Oxford Instruments and of a broadly similar structure, complexity and size in terms of market capitalisation.

CEO remuneration, since appointment in October 2023, has fallen toward lower quartile benchmarks as a result of a lower base salary position. CFO remuneration is competitively positioned. The following chart shows the relative position of 2025/26 target and maximum total compensation for the Executive Directors.



○ Positioning of *current target* total remuneration relative to market benchmarks.

◇ Positioning of *current maximum* total remuneration relative to market benchmarks.

Note: Sector peers include; Morgan Advanced Materials plc, Avon Technologies plc, Senior plc, Vesuvius plc, Bodycote plc, Chemring Group plc, Renishaw plc, Rotork plc.

Given the aim of the Policy review is to ensure that our remuneration packages enable us to attract and retain the very best talent, the CEO base salary should be adjusted to a fair and appropriately competitive level reflecting Richard's strong sustained performance in role since appointment.

In finalising Executive Director salary adjustments, we reviewed the recommendations regarding base salary increases for employees where the average salary increase across the UK workforce is expected to be 3.5%. Following shareholder consultation, supportive feedback and the changes to the Policy, the Committee concluded it is appropriate to adjust the CEO salary by a further 4.5% beyond the average UK workforce increase (a total increase of 8%). The CEO salary will therefore increase from £601,778 to £650,000. Following this increase, target total remuneration will be competitively positioned relative to the sector group but will remain below mid-market capitalisation benchmarks. The salary of the CFO will be increased by 3.5% in line with the UK workforce from £471,500 to £488,003.

Annual bonus

The annual bonus maximum opportunity will remain at 150% of salary. Performance will continue to be assessed against the same measures, with simplified weightings: profit (40%), cash conversion (20%), adjusted operating profit margin (20%) and strategic objectives (20%). One-third of any bonus payable will be delivered in shares, which must be held for three years.

Long-Term Incentive Award

The Committee believes there is now a clear opportunity to strengthen the alignment of our Executive Directors with the delivery of sustained, long-term shareholder value. The 2026 awards under the LTIP will therefore be set at 300% of salary for the CEO and CFO. The award will comprise two elements: (i) a Core award of 200% of salary, and (ii) a Strategic Stretch award of an additional 100% of salary, designed to reward truly exceptional performance.

The Core award will retain the same broad mix of performance measures used in the previous three years, to provide a rounded overall assessment of performance. The measures will therefore be EPS (30%), ROCE (30%), TSR (25%) and a sustainability-related measure (15%).

EPS performance will be calculated by using fixed foreign exchange rates to calculate the profit for the currencies of the major trading countries to whom we export. With more than 95% of our sales overseas, the company's financial performance is unusually impacted by movements in exchange rates and significant currency volatility can weaken the effectiveness of the incentive.

The EPS measure will require compound annual growth of between 5% and 11% over three years and the ROCE measure will be based on a target range of 26% to 30% in 2028/29. TSR will be measured relative to the companies comprising the FTSE 250 Index excluding Investment Trusts, financial services and commodities, requiring median performance for threshold vesting and upper quartile for maximum vesting.

Directors' Remuneration report continued

Long-Term Incentive Award continued

The sustainability target will require reduction in absolute Scope 1 and 2 market-based carbon emissions in 2028/29 by 45% (threshold) to 70% (maximum) from the FY24 baseline to drive achievement of net zero in our own operations by 2030.

The Strategic Stretch award will be based on two equally weighted financial performance measures, EPS and AOP margin, reflecting their critical role in driving exceptional organic growth through sustained improvements in profitability and earnings strength. The Committee considers this focus to be central to the delivery of material and sustained shareholder value, by strengthening earnings, enabling disciplined reinvestment to accelerate growth, and increasing the company's capacity to deliver enhanced returns to shareholders. The EPS performance range will be extended from the maximum 11% compound annual growth target under the Core award to 15% over the same three years. AOP margin will be based on a target range of 18.5% to 20% in FY29, mirroring the requirement for the delivery of exceptional performance. Both measures under the Strategic Stretch award will be assessed on a constant currency basis. The EPS stretch target equates to 50%+ growth over the three-year period. The adjusted operating profit margin target aligns with our mid-term aspiration at the top end and sustained stretching margin progression at entry. In setting the margin targets, the Committee was mindful not to set the entry target at a level that may prevent the investment needed to drive long-term sustainable top-line and bottom-line growth beyond the three-year performance period.

A majority of consulted shareholders agreed that these measures are critical to both driving and unlocking sustainable and exceptional long-term shareholder value. The Committee is mindful of the trust placed in it and, before confirming any vesting outcomes under the Strategic Stretch award, will undertake a holistic assessment of performance over the period and the shareholder experience. In particular, the Committee shall consider total shareholder return (TSR), EPS growth in the context of AOP margin growth, and the sustainability and quality of earnings. Where the Committee considers that the formulaic level of vesting under the Strategic Stretch element does not appropriately reflect performance and is not aligned with the long-term interests of shareholders, it may exercise its discretion to adjust the formulaic outcome.

We believe this change provides an appropriate level of incentivisation for the effort required to deliver sustained exceptional performance. The Committee expects further opportunities to deliver exceptional performance over the Policy period and therefore intends to grant LTIP awards to the Executive Directors in 2027 of up to 300% of salary.

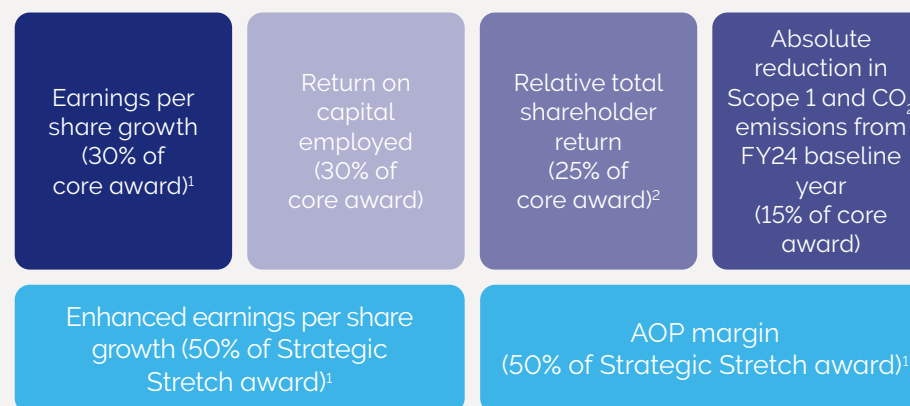
The Committee will determine, ahead of the 2027 awards and thereafter, whether such an award level remains appropriate and in shareholders' interests.

2026/27 Variable pay

Annual bonus opportunity: 150% of salary, 75% of salary at target



LTIP opportunity: 300% of salary
(Core award: 200%, Strategic Stretch award: 100% of salary)



Notes:

1 Assessed at constant currency.

2 Relative TSR compared to the FTSE 250 excluding Investment Trusts, Financial Services and Commodities.

Directors' Remuneration report continued

Importance of shareholder feedback

The Committee is committed to ongoing dialogue with shareholders and institutional advisory bodies on remuneration matters and it welcomes feedback as it helps to inform decision making.

The Committee takes an active interest in voting and feedback on Annual General Meeting resolutions on remuneration matters and is pleased with the high level of support received historically for its Annual Reports on Remuneration and Remuneration Policy renewals.

The Committee has actively engaged with major shareholders and investor bodies concerning the proposed changes to the Remuneration Policy, and the implementation of the Policy in 2026/27 and beyond. We received feedback from a large proportion of investors and representative bodies, the majority were supportive of our aims, positively tested our thinking and improved our plans for Executive Director remuneration. We are grateful for the constructive engagement on the proposed Directors' Remuneration Policy for FY27–29 and its implementation in the years ahead.

Broader employee remuneration considerations

Our people are a key differentiating factor of our competitive advantage and are fundamental to delivering sustained shareholder value. 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.

During the year, the Committee reviewed an update on workforce remuneration, including the general salary increases, share schemes and incentives. These updates were taken into consideration in deciding the pay of Executive Directors and senior management. The Committee was pleased to see progress made to enhance the pay for performance culture and to improve employee share ownership.

Engagement and feedback from a broad cross-section of the senior leadership team directly informed refinements to both the short and long-term incentive arrangements, ensuring continued alignment with wider workforce practices.

Throughout the year, the Committee received regular updates and insights from the Chief HR Officer, and Committee members also met independently with a cross-section of employees as part of the annual Board engagement cycle. These discussions provided valuable, candid feedback on the company's remuneration policies and how they are experienced across the workforce.

Non-Executive Directors' (NED) fees

Following a periodic review to ensure that NED fees appropriately reflect the time commitments of the roles, and support the attraction and retention of individuals with the experience and expertise required for a company of our size, scale and growth opportunity, fees are proposed to be increased to mid-market competitive levels. This results in an increase at a rate higher than that awarded to the wider UK workforce.

The NED base fee and chair fee are positioned at the lower quartile, the NED base fee will be increased from £60,608 to £68,000 and the Senior Independent Director/Committee Chair fee will be increased from £10,558 to £15,000. The Committee concluded that the Chair fee will increase in line with the UK workforce by 3.5% from £217,978 to £225,607.

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 page 121. The review found that the Committee functions effectively.

Conclusion

The Committee has carefully considered the new Policy, the remuneration outcomes for 2025/26 and the operation of the new Policy for 2026/27, to ensure strong alignment between executive remuneration and the experience of shareholders, employees and our wider stakeholders.

The Committee believes that the CEO salary increase is proportionate and reflects the sustained performance delivered since appointment, while supporting the positioning of typical annual remuneration at a more appropriate level relative to comparative mid-market benchmarks. The new Policy further reinforces the focus on long-term business performance and excellent value creation through the delivery of the strategy, with executive reward outcomes clearly aligned to the achievement of exceptional performance and sustainable shareholder returns.

We hope that you will be supportive of the annual advisory vote to approve the Annual Report on Remuneration, the binding vote to approve the new Policy and the vote to update our LTIP rules, at our AGM on 23 July 2026.

ALISON WOOD
Chair of the Remuneration Committee

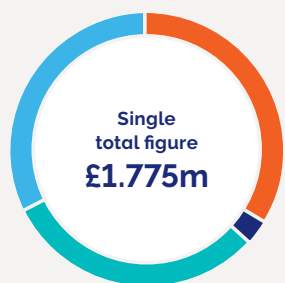
8 June 2026

2026 Remuneration at a glance

Total remuneration in 2025/26

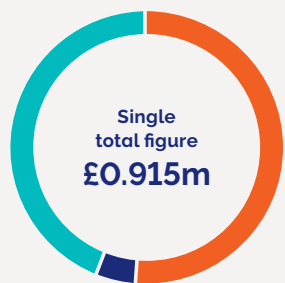
- Base salary
- Pension & benefits
- Annual bonus
- Long-term incentives

Chief Executive Officer Richard Tyson



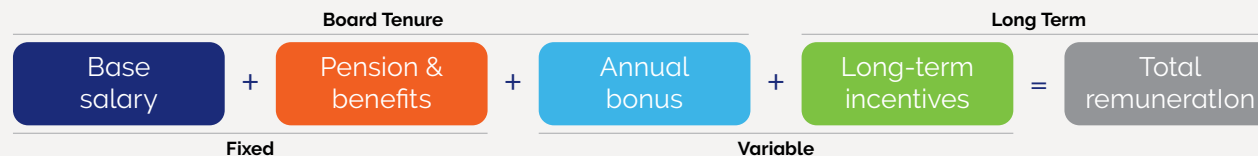
36.9%
Fixed pay
63.1%
Variable pay

Chief Financial Officer Paul Fry



56.0%
Fixed pay
44.0%
Variable pay

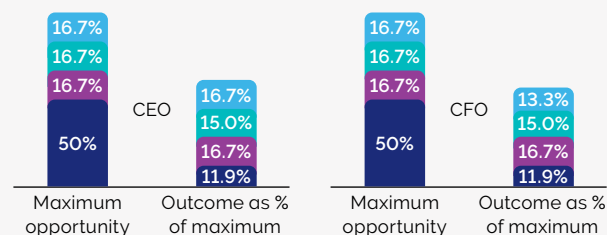
Remuneration structure



Variable remuneration outcomes in 2025/26 (CEO and CFO)

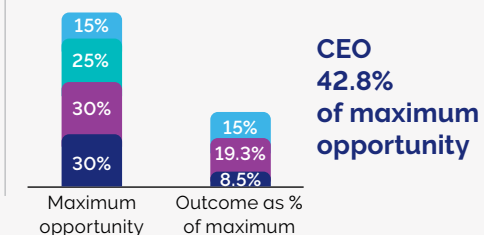
Annual bonus

- Profit before tax
- Cash conversion
- Adjusted operating profit margin
- Strategic objectives

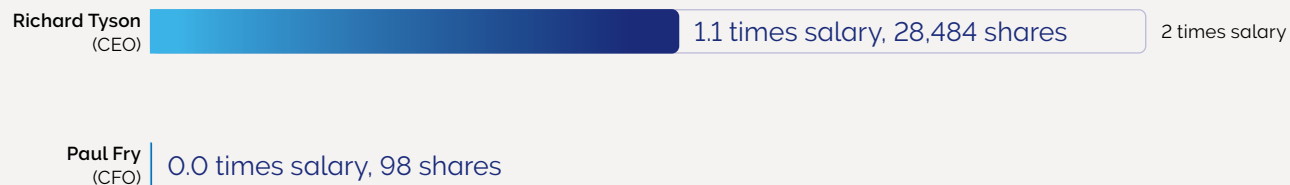


Long-term incentives

- EPS
- TSR
- ROCE
- Sustainability



Share ownership



Statement of Implementation of Remuneration policy in 2026/27

Base salary

Richard Tyson (CEO):

£650,000

8% increase

UK wider workforce increase of 3.5%

Paul Fry (CFO):

£488,003

3.5% increase

Pension

Richard Tyson (CEO):

6%

of base salary

Paul Fry (CFO):

6%

of base salary

Benefits

Benefits package consisting of healthcare, insurances and car benefit

Benefits package consisting of healthcare, insurances and car benefit

Annual bonus (maximum opportunity)

Richard Tyson (CEO):

150%

of base salary

Paul Fry (CFO):

150%

of base salary

Performance measure	Weighting
Profit	40%
Profit margin	20%
Cash Conversion	20%
Strategic Objectives	20%

- One-third of annual bonus deferred into shares for three years
- Strategic objectives focus on organic growth and margin progression
- Specific targets are considered to be commercially sensitive and will be disclosed retrospectively

Long-term incentive (LTIP)

Richard Tyson (CEO):

300%

of base salary

Paul Fry (CFO):

300%

of base salary

Core award: 200% of salary, Performance measure	Weighting	Threshold	Maximum
EPS at constant currency (CAGR)	30%	5%	11%
ROCE	30%	26%	30%
TSR (FTSE250 excl. Investment Trusts, Financial Services & Commodities)	25%	Median	Upper quartile
Scope 1&2 CO ₂ emission reduction over FY24 baseline	15%	45%	70%

Stretch award: 100% of salary, Performance measure	Weighting	Entry	Strategic Stretch
EPS at constant currency (CAGR)	50%	11.1%	15%
Profit margin at constant currency	50%	18.5%	20%

- 25% of the Core award vests at threshold. Stretch award vesting is subject to a holistic performance assessment and starts at 0% for entry performance
- Two-year post-vesting holding period applies

Performance measures and link to strategy

Element	Outcome	Bonus	LTIP	
Financial KPIs	Attractive end markets	Profit	✓	
	Leading businesses	Profit margin	✓	
	Operational excellence	Return on capital employed		✓
	Customer relationships	Cash flow conversion	✓	
		EPS growth		✓
Strategic & Non-financial KPIs	Purpose, values and Ways of Working	Scorecard of strategic measures key to Group and business performance	✓	
	High performance culture			
	Reach net zero	Scope 1 & 2 carbon emission reduction		✓
	Invest behind growth	Relative total shareholder return		✓

Shareholding requirements

Executive Directors should build a minimum shareholding of 200% of salary, equivalent to the Core LTIP opportunity, and are required to hold shares equivalent to their full in-employment shareholding guideline, or actual holding if lower, for two years post-employment.

Directors' Remuneration policy

This section of the Directors' Remuneration Report sets out the proposed Remuneration Policy for the company and has been prepared in accordance with Schedule 8 to the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the Companies (Miscellaneous Reporting) Regulations 2018 (the 2018 regulations), the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (the 2019 regulations) and the disclosure requirements set out in the Listing Rules of the UK Financial Conduct Authority. The policy has been developed taking into account the principles of the 2024 UK Corporate Governance Code.

This policy is subject to a binding shareholder vote at the 2026 AGM, from when it will take effect, and is intended to apply until the 2029 AGM and covers the financial years 2026/27, 2027/28 and 2028/29. The new Policy is set out in full on pages 149 to 155.

2026/27 Remuneration Policy changes

Element	Proposed changes to Policy	Rationale
Annual bonus	Bonus threshold The bonus payable for achieving the threshold performance target has been increased from up to 10% of the maximum opportunity to up to 20% of the maximum.	To provide the Committee with additional flexibility in the setting of threshold performance targets and to ensure an appropriate level of incentivisation for their achievement.
Long-Term Incentive Plan	Opportunity The maximum award opportunity under the policy will increase from 200% to 300% of base salary: <ul style="list-style-type: none"> The normal award limit will remain 200% of base salary. This limit may be exceeded at the Committee's discretion up to 300% of salary. 	To give the Committee greater flexibility to better align the delivery of a highly attractive strategy and excellent shareholder value, providing the opportunity for exceptional rewards for exceptional performance. The Committee intends to grant LTIP awards to the Executive Directors in 2026 and 2027 of up to 300% of salary. It is envisaged that further awards above the 200% normal award limit would ordinarily be made following shareholder consultation.
	Linked options	The ability for LTIP awards to be granted in conjunction with a tax-advantaged option (a Linked Option) will be removed.

Policy review process

Scope of the review

- Remuneration Policy
- Implementation of the Policy over the next three years
- Full holistic review

Committee 1-2-1s

- Remuneration principles
- Market and governance developments
- Review of existing Policy
- Considerations to ensure remuneration remains fit for purpose
- Reviewing different remuneration structures

Draft proposals

- Review collective feedback and preferences
- Agree Policy requirements for the next three years
- Draft Policy changes
- Draft FY27 implementation of Policy

Stakeholder consultation

- Key shareholders
- Key shareholder advisory bodies
- OI leadership group

Finalise proposals

- Review stakeholder feedback
- Refined and improved proposals
- Approval of revised Policy
- Implementation of the Policy in the year ahead

Directors' Remuneration Policy continued

Policy overview

The company has a strategy focused on delivering significant shareholder value through sustained organic growth and margin progression. In support of this, the Committee aims to reward executives fairly and responsibly, with remuneration reflecting both Group performance and individual contribution. Ensuring that reward outcomes align with performance is essential for motivation, retention and the long-term success of the business.

The Committee carefully assesses incentives to ensure they are effective and do not create unintended consequences, including in relation to governance, environmental or social issues. More broadly, the Committee ensures that the overall Policy does not encourage inappropriate risk-taking and continues to promote sustainable value creation.

The Committee undertook a comprehensive review of the Policy during the year to ensure that it remains aligned with the company's strategy, supports long-term sustainable value creation and continues to reflect shareholder expectations and good practice. Furthermore, the Committee sought to ensure that the Policy provides sufficient flexibility to support opportunities to deliver exceptional long-term shareholder value.

How the views of shareholders are taken into account

The Committee considered the guidelines issued by bodies representing institutional shareholders and feedback from shareholders on the Group's remuneration policies and practices. It also proactively consulted with our largest shareholders, representing 65% of the company, and a number of the shareholder adviser bodies, prior to finalising proposed changes to the current Remuneration Policy. Stakeholders were invited to provide any feedback they had and were offered the opportunity to discuss the proposals with the Committee Chair. The Committee was pleased with the high level of engagement. Feedback received was positive and has been instrumental in shaping the final proposals. The Committee took account of the views expressed and considered refinements to certain aspects of the Policy in response to the consultation process. The key themes and outcomes from the consultation are shown opposite:

Element	Feedback	Incorporation of feedback
Annual bonus deferral	Stakeholders expressed mixed views on reducing bonus deferral once Executive Directors have achieved their shareholding guideline.	Taking account of feedback on share ownership, the Committee concluded: <ul style="list-style-type: none"> not to proceed with the proposal. Bonus deferral therefore remains unchanged, preserving ongoing share ownership and strong shareholder alignment; and that the existing 200% of salary guideline remains appropriate and aligned to the ongoing typical LTIP award level of 200%. The 2026 LTIP award at 300% is not intended to set a new annual level.
Share ownership requirement	A limited number of shareholders noted that market practice often aligns Executive Director share ownership guidelines with the maximum LTIP opportunity.	

Feedback was also received on the implementation of the Policy in 2026/27, helping to test and refine proposals. The Committee thanks shareholders for their considered feedback and engagement.

The Committee is committed to shareholder consultation, and the Committee Chair will actively engage with shareholders on significant changes, giving careful consideration to their views, including feedback received prior to and during the Annual General Meeting.

How the views of employees are taken into account

The Committee is provided with an overview of workforce remuneration each year and this was taken into consideration in deciding the pay of Executive Directors and senior management.

Although the Committee does not directly consult with employees on Directors' remuneration, the Committee does take into consideration the pay and employment conditions of all employees when setting the policy for Directors' remuneration.

In ensuring alignment of workforce pay practices and enabling feedback on Director pay proposals, a broad cross-section of the senior leadership team directly informed refinements to both the short and long-term incentive arrangements for the wider workforce for 2026/27.

Salary increases are normally in line with the general increase for the broader UK workforce, and pension contributions for Executive Directors are aligned to the level available for the majority of the UK workforce. The Committee is also mindful of any changes to the pay and benefit conditions for employees more generally when considering the policy for Directors' pay. When determining incentive outcomes, including whether discretion should be applied, the Committee also considers workforce pay and broader incentive outcomes.

Directors' Remuneration Policy continued

2026/27 Remuneration Policy for Directors

The Policy represents an evolution rather than a wholesale change. It strengthens the alignment between Executives and shareholders, enhances the link to long-term performance, and ensures the company can continue to attract and retain the high-calibre leadership that are needed to deliver our strategic ambitions.

The following table summarises the key aspects of the Remuneration Policy for Executive Directors.

Remuneration Policy

Element, purpose and link to strategy	Operation	Maximum opportunity
Base salary		
<ul style="list-style-type: none"> To provide a competitive and appropriate level of basic fixed pay to recruit and retain executives of a suitable calibre for the roles and duties required. Set at a level to avoid excessive risk taking that might otherwise result from an overreliance on variable remuneration. 	<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.
Benefits		
<ul style="list-style-type: none"> Provide market-competitive benefits. 	<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.

Directors' Remuneration Policy continued

Remuneration Policy continued

Element, purpose and link to strategy	Operation	Maximum opportunity
Pension		
<ul style="list-style-type: none"> ● Provide market-competitive benefits. 	<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.
Annual bonus		
<ul style="list-style-type: none"> ● To encourage and reward the successful delivery of the Group's short-term objectives. ● 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 30% of salary at year end 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.

Directors' Remuneration Policy continued

Remuneration Policy continued

Element, purpose and link to strategy	Operation	Maximum opportunity
<p>Long-Term Incentive Plan (LTIP)</p> <ul style="list-style-type: none"> ● To encourage and reward the successful delivery of the Group's long-term strategic objectives. ● To align the Directors' interests with those of shareholders. ● Facilitates share ownership to provide further alignment with shareholders and to assist with retention. 	<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. ● 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. ● 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 normal award limit is 200% of salary. This limit may be exceeded at the Committee's discretion up to a limit of 300% of salary. ● Up to 25% of the awards will vest at threshold performance under each performance condition. ● 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 154). ● 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.
<p>All-employee share schemes</p> <ul style="list-style-type: none"> ● To encourage share ownership and align the interests of employees with shareholders. 	<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.

Directors' Remuneration Policy continued

Remuneration Policy continued

Element, purpose and link to strategy	Operation	Maximum opportunity
Share ownership guideline		
<ul style="list-style-type: none"> To increase the alignment of interests between Executive Directors and 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 (the normal LTIP award limit). 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.
Non-Executive Director (NED) fees		
<ul style="list-style-type: none"> To provide a competitive and appropriate level of remuneration to attract and retain a high-calibre Chair and NEDs. Fees may be in the form of cash and/or shares. 	<ul style="list-style-type: none"> The Committee (excluding the Chair) is responsible for evaluating and determining the fees payable to the Chair. The Chair and CEO are responsible for evaluating and making recommendations to the Board on fees payable to the NEDs within an aggregate limit approved from time to time by shareholders. The Chair is currently paid a single inclusive fee for the role. The policy is to pay NEDs a basic fee for membership of the Board and additional fees to the Senior Independent Director and Committee Chairs to recognise the additional responsibilities and time commitment of these roles. Additional fees may be paid to reflect additional Board or Committee responsibilities or time commitments as appropriate. Fees are determined, and typically reviewed annually, taking into account time commitment, experience, knowledge and responsibilities of the role as well as market data for comparable 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 Policy continued

Malus and clawback

The payment of any bonus is at the ultimate discretion of the Remuneration Committee, which also retains an absolute discretion to reclaim or withhold some, or all, of any annual bonus paid in exceptional circumstances, such as misstatement of results, an error in the calculation of the performance targets and/or award size, misconduct of the participant, reputational damage, failure of risk management or corporate failure. The period over which these recovery provisions can be applied is three years from the award date.

The Committee has similar power in respect of the LTIP and may exercise discretion to reclaim or withhold some, or all, of a vested LTIP award in exceptional circumstances. The period over which these recovery provisions can be applied is three years from the vesting date. In each instance, the Remuneration Committee has assessed that the periods are suitable for the company as they are considered to be sufficiently long for the audit procedures to identify any circumstances that would give rise to the operation of malus or clawback.

Discretion

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 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 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.

Differences in remuneration policy for Executive Directors compared to other employees

We use the same principles (as set out in this report) to determine pay for our Executive Directors and everyone else who works at Oxford Instruments. Arrangements are designed to be competitive, aligned with local market practice and enable all employees to share in the success they help to create through incentives.

The Committee considers the general basic salary increase for the broader employee population when determining the annual salary review for the Executive Directors and the pension is aligned with that offered to the majority of the workforce in the UK.

Overall, the remuneration policy for the Executive Directors is more heavily weighted towards variable pay than for other employees. This ensures that there is a clear link between value created for shareholders and remuneration received by Executive Directors.

Remuneration arrangements and performance targets cascade down the organisation to ensure alignment with the company strategy. The structure of senior management bonuses and LTIPs broadly reflect those of the Executive Directors, with some measures being Group-wide and others specific to their remit. Outside senior management, a variety of complementary bonus plans are operated linked to the performance of their business and/or their contribution.

In order to support retention within key roles or critical knowledge and skills that are important to the company, employees may be granted share-based incentives.

Directors' Remuneration Policy continued

Approach to recruitment and promotions

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 they 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 award level or the maximum 300% 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.

Service contracts and policy on payments for loss of office

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 the 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 usually 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.

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, 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.

Directors' Remuneration Policy continued

Service contracts and policy on payments for loss of office continued

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 Policy.

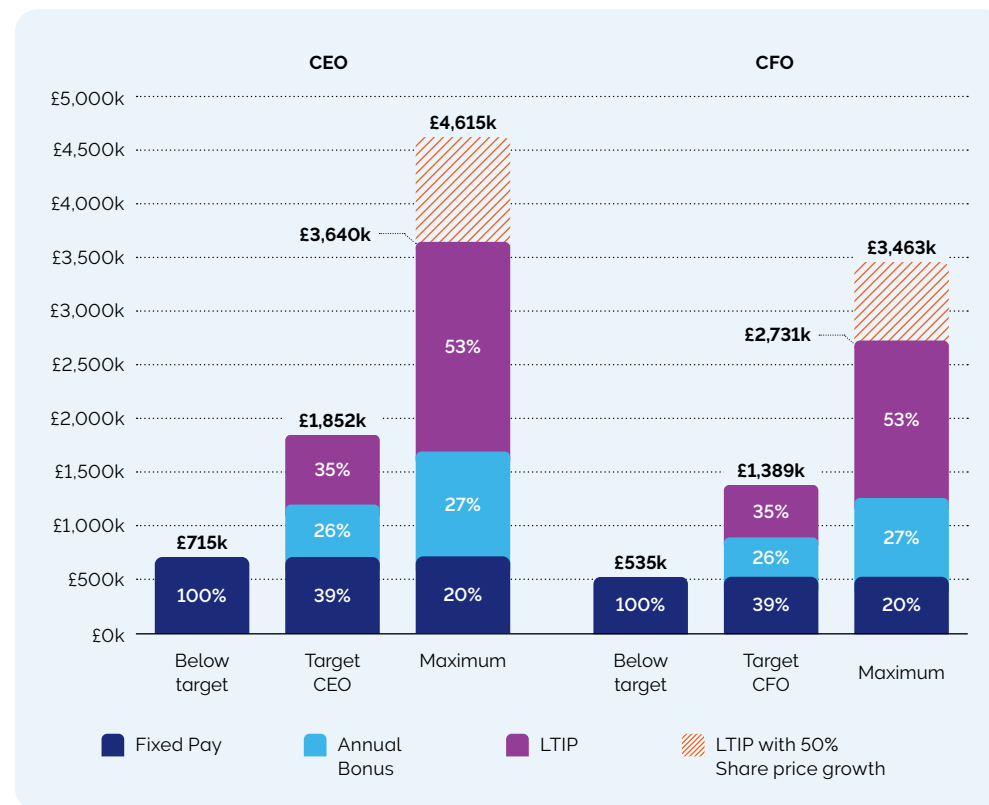
The Chair and Non-Executive Directors do not have service contracts; they serve under letters of appointment and in line with governance best practice, the company proposes all Directors for annual re-election by shareholders at the AGM. The term of appointment for the Chair and Non-Executive Directors is three years. The Chair is subject to termination on six months' notice and Non-Executive Director appointment letters provide for termination without notice and with no compensation payable on termination. In the event of the termination of their position, they are entitled to reimbursement of any outstanding fees and expenses due.

Remuneration scenarios for Executive Directors

The Group's normal policy results in a significant portion of remuneration received by Executive Directors being dependent on performance. The chart opposite shows how 2026/27 remuneration outcomes for Executive Directors would vary under different performance scenarios – Minimum, Target, Maximum, and Maximum plus 50% share price growth.

Assumptions

- Fixed pay comprises salary levels as at 1 July 2026, pension of 6% of salary and the value of benefits received in 2025/26 for the CEO and 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 Core award at grant.
- The maximum level of bonus is 150% of salary, the typical LTIP award level is 200% of salary for the CEO and the CFO and the maximum LTIP award level is 300% of salary.
- 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.



Annual Report on Remuneration

This part of the Directors' Remuneration Report has been prepared in accordance with Part 3 and Part 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (as amended), the Companies Act 2006 and UK Listing Rule 6.6.6R, and explains how Oxford Instruments' current Remuneration Policy has been implemented during the year. The Annual Statement and Annual Report on Remuneration will be put to a single advisory vote at the AGM on 23 July 2026.

Role of the Remuneration Committee

The principal role of the Remuneration Committee is to establish the policy for remuneration of the Executive Directors, the Executive Leadership Team and the Chair, which is aligned with the long-term success of the company and its shareholders. It also oversees the principles and structure of remuneration arrangements for all employees across the Group.

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.

Membership of the Remuneration Committee

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.

The Committee members have no personal financial interest, other than as shareholders, in matters to be decided, no potential conflicts of interests arising from cross-directorships and no day-to-day involvement in running the business. The Non-Executive Directors are not eligible for pensions and do not participate in the Group's bonus or share schemes. The Committee's terms of reference can be found on the Group website.

The Remuneration Committee holds a minimum of two meetings annually, as required under its terms of reference, and this year held six 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. No Director or the Company Secretary or the Chief HR Officer took part in discussions relating to their own remuneration and/or benefits. The Committee also has an independent remuneration consultant to provide advice on all aspects of executive remuneration as required by the Committee.

Priorities and activities of the Remuneration Committee during 2025/26

Reviewed the appropriateness of the current Remuneration Policy

- As described in the Committee Chair annual statement and the proposed enhancements to the Remuneration Policy, the Committee carefully evaluated the design of the remuneration package and its ability to support the delivery of long-term shareholder value creation. The Committee evaluated the alignment of all remuneration elements with the long-term experience of shareholders, the company's strategy, culture and pay principles.
- As part of the review, the Committee considered corporate governance developments, guidance from institutional investors, external remuneration trends and external benchmarking, to ensure our remuneration structures reflect good practice and our pay for performance principles.

Reviewed the application of the current Remuneration Policy in relation to remuneration arrangements for 2025/26, to ensure a package that is proportionate and aligned with shareholder interests

- Reviewed all elements of the current Remuneration Policy, in order to ensure that all elements remain fit for purpose and align with good governance, the shareholder experience and our pay for performance principles.

Determine pay outcomes that are performance driven and reflective of the shareholder experience

- Determined the bonus performance outcomes against 2024/25 targets and approved bonus payments.
- Determined the LTIP vesting outcome against the 2022 performance targets and approved vesting.
- Reviewed incentive plan outcomes for the application of malus and/or clawback.
- Reviewed incentive plan outcomes and evaluated whether it was appropriate for discretion to be applied.

Set pay at a competitive level against the external market and ensured remuneration remained affordable and fair in the context of pay for all employees

- Considered corporate governance developments, guidance from institutional investors and external remuneration trends, to ensure our remuneration structures reflect good practice and our pay for performance principles.
- Reviewed the pay arrangements for employees across the Group and considered how these relate to those for our senior leaders.

Annual Report on Remuneration continued

Set pay at a competitive level against the external market and ensured remuneration remained affordable and fair in the context of pay for all employees continued

- Set basic salary increases for the Executive Directors in line with the approach for setting workforce pay.
- Reviewed the fee payable to the Chair.

Ensure pay is motivating, simple, transparent and aligned to shareholder interests

- Reviewed and considered shareholder feedback on the implementation of the Policy in 2026/27.
- Reviewed the terms of the annual bonus, selected the performance measures and set the performance targets for the Executive Directors' and other members of senior management's bonus schemes for 2026/27.
- Approved the Executive Directors' personal strategic objectives for the 2026/27 bonus.
- Reviewed the terms of the LTIP plans and the award levels for Executive Directors and other members of senior management. Reviewed the performance measures and performance targets.

Maintain transparency and clarity in everything we do

- Engaged shareholders on the proposals for the future Remuneration Policy with a clear articulation of the link to shareholder value. Providing all shareholders with a summary of those discussions and any revisions to final proposals.
- Approved the 2025/26 Directors' Remuneration Report and recommended that shareholders vote in favour of this report, the new Policy and the new LTIP rules at the company's 2026 Annual General Meeting.

Single figure of remuneration for 2025/26 and 2024/25 (audited)

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

Executive Directors (audited)

Executive Directors ¹		Salary £'000	Benefits ² £'000	Annual Bonus ³ £'000	Long-term incentive Awards ⁴ £'000	Pension ⁵ £'000	Other ⁶ £'000	Total fixed £'000	Total variable £'000	Total £'000
Richard Tyson	2025/26	598	26	544	576	31	–	655	1,120	1,775
	2024/25	583	26	828	–	31	–	640	828	1,468
Paul Fry ⁷	2025/26	469	17	402	–	26	–	512	403	915
	2024/25	–	–	–	–	–	–	–	–	–

1 No operation of malus or clawback operated in the year for these or previous directors.

2 Benefits comprise car allowance and/or benefit in kind of a company car, private medical insurance, other insurance benefits, overnight hotel accommodation where necessary to carry out duties at the Head Office of the company.

3 Annual bonus represents the gross annual bonus for the year to March 2026 and would usually be paid in the July 2026 payroll. Of the total bonus amounts payable, £181,167 and £134,089, equal to one-third, will be paid in shares for Richard Tyson and Paul Fry, respectively, which must be held for three years.

4 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 LTIP award granted on 14 November 2023. Awards will vest in July 2026 and, as such, the value has been determined using an indicative share price of £24.6508 (being the average closing price over the three months to 31 March 2026). This award will be restated in next year's report. The share price used on grant of the 2023 LTIP award was £21.50, therefore the value of the LTIP award that has been attributable to share price growth is £71,520 for Richard Tyson. Dividend equivalents have been added to arrive at the total figure included in the table above.

5 Comprises contribution to a money purchase pension scheme and/or payments in lieu of pension contribution.

6 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 Paul Fry, 'Other' is the value of matching SIP shares attributable to the year, the company offers a 1:5 match for partnership shares purchased by employees and this amounted to £369 and £347 each of matching shares for Richard Tyson and Paul Fry, respectively.

7 Paul Fry was appointed Chief Financial Officer on 1 April 2025.

Annual Report on Remuneration continued

Chair and Non-Executive Directors (audited)

Non-Executive Director		Fees £'000	Benefits £'000	Total £'000
Neil Carson	2025/26	217	-	217
	2024/25	211	-	211
Alison Wood	2025/26	81	-	81
	2024/25	79	-	79
Sir Nigel Sheinwald	2025/26	71	-	71
	2024/25	69	-	69
Hannah Nichols	2025/26	71	-	71
	2024/25	66	-	66
Rowena Innocent ¹	2025/26	60	-	60
	2024/25	7	-	7

1 Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

Executive Director pension arrangements (audited)

Executive Directors are entitled to receive a contribution to a money purchase pension scheme and/or cash payments in lieu of pension contribution for a fixed value of 6% of base salary, which is the maximum percentage amount payable to the majority of the UK workforce. Cash payments in lieu of pension contribution are taxed as income and, in line with the policy for all UK employees, this cash payment is reduced to cover employer's national insurance costs.

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

As explained in the 2025 Annual Report, Gavin Hill was treated as a good leaver when he stepped down from the Board and his role as CFO on 31 March 2025, and remained actively employed until 10 June 2025 to ensure a smooth transition. The remuneration approach, which is in line with the Policy, is as follows:

Salary, pension and benefits – Gavin continued to receive his contractual salary of £412,000 per annum, pension and benefits until the end of his notice period on 7 January 2026 (£347k in aggregate).

Annual bonus – Gavin remained 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, payable at the usual time in cash and deferred shares, and wholly subject to financial performance measures. The outturn, in line with the achievement of the financial measures disclosed in this report, of 52.3% of the maximum, equates to an award of £68,310 for the period 1 April 2025 to 10 June 2025.

Long-Term Incentive Plan - Gavin retained his unvested Performance Share Plan and Long-Term Incentive Plan awards which will vest at their normal vesting dates, subject to performance testing and time pro-rata reduction to the end of his notice period ie, 7 January 2026. The two-year post-vesting holding periods will continue to apply. The final vested value of the LTIP award granted on 20 June 2022 was £203,418. The LTIP award granted on 25 September 2023 will vest at 42.8% of the maximum, which will result in 14,939 shares vesting, including 419 dividend shares, in July 2026; the value of these shares is £368,254 based on the average share price over the three months to 31 March 2026, £24.6508.

Share Incentive Plan – Gavin participated in the SIP and received matching shares on the same basis as all participants. The value of the matching shares amounted to £269.

Share ownership guidelines – 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 commencing from the end of his notice period ie, 7 January 2026.

Annual Report on Remuneration continued

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. Executive Director 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 maximum)	Targets ¹			Actual Performance	Payout % of salary
	Threshold	Target	Maximum		
Adjusted profit before tax ² (75%)	£78.2m	£82.3m	£86.4m	£79.6m	17.8%
Adjusted organic operating profit margin ² (25%)	17.1%	17.5%	17.8%	18.1%	25.0%
Cash conversion (25%)	80.0%	85.0%	90.0%	89%	22.5%
Strategic objectives (25%)	See below			CEO:	25.0%
				CFO:	20.0%
Total				CEO:	90.3%
				CFO:	85.3%

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.

Annual Report on Remuneration continued

Details of annual bonus earned in year (audited) continued

The non-financial strategic objectives were set at the start of the year. The CEO and CFO were set the same two main strategic objectives and the CFO was set one additional objective.

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

Strategic objectives	Objective detail and rationale	Weighting CEO	Weighting CFO	Outcome as % of salary CEO	Outcome as % of salary CFO
Progress evolution of the portfolio in line with agreed Group strategy	<p>NanoScience divestment completed in January 2026 to improve quality of the Group. Final net proceeds of £42.4m. Facilitated second £50m share buyback.</p> <p>Portfolio strategy reviewed during the year with various options explored. Pipeline of M&A opportunities refreshed and reviewed alongside wider transformation opportunities, no options deemed appropriate.</p> <p>Capital deployment plans updated, alongside second share buyback and increased investment into R&D.</p>	✓	✓	12.5%	6.25%
Progress operational excellence transformation programme	<p>NanoScience programme fully delivered in early FY26 with identification of further margin improvement possibilities, key to supporting divestment.</p> <p>Andor programme well advanced and expanded into product strategy. Significant improvements in efficiency and productivity key to improvements in operating margin. Further transformation activities scheduled.</p> <p>Plasma programme advancing and delivering improvements. Further opportunities identified potential to create clean room capacity for new business samples and restructure standards for simpler supply chain and assembly processes.</p> <p>Materials & Analysis plans under way to improve Engineering NPI processes and to improve manufacturing flexibility between sites.</p> <p>Continued improvement in forecast delivery across the Group.</p>	✓	✓	12.5%	6.25%
Establish the future ERP strategy	<p>Strategic review complete with approach agreed by the Board.</p> <p>Investment and implementation plans under way. Project progressed to full scoping during FY27.</p>		✓		7.5%
Total outcome				25%	20%

Annual Report on Remuneration continued

Details of annual bonus earned in year (audited) continued

The actual bonuses payable for the Executive Directors for the year ended 31 March 2026 are set out below.

Executive Director	Actual bonus payable (% of salary)	Actual bonus payable (% of maximum)	Actual bonus payable for 2025/26 ¹
Richard Tyson	90.3%	60.2%	£543,501
Paul Fry	85.3%	56.9%	£402,265

¹ Bonus is calculated on salary as at 31 March 2026. Of the amounts disclosed, £181,167 and £134,089 will be paid in shares to Richard Tyson and Paul Fry respectively, which must be held for three years.

Annual Report on Remuneration continued

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 2025/26 are as follows:

LTIP awards vesting based on performance to 31 March 2026 (audited)

The LTIP awards granted in 2023 had a three-year performance period, which ran from 1 April 2023 to 31 March 2026, were subject to the following performance targets:

Measure	Weighting	Performance period	Threshold target (25% vesting) ¹	Maximum target (100% vesting)	Performance outcome	Vesting outcome (% of weighting)
EPS growth over the 2022/23 baseline ²	30%	01/04/2023 – 31/03/2026	4%	10%	4.3%	8.5%
					Performance between threshold and maximum	
ROCE in the final year of the three-year performance period ^{2,3}	30%	01/04/2023 – 31/03/2026	30%	34%	32.1%	19.3%
					Performance between threshold and maximum	
TSR relative to the FTSE 250 excl. Investment Trusts	25%	01/04/2023 – 31/03/2026	Median rank	Upper quartile rank	44th percentile	0%
					Performance below threshold	
Absolute reduction in Scope 1 & 2 CO ₂ emissions (market-based) from 2022/23 (2019 baseline)	7.5%	01/04/2023 – 31/03/2026	2% reduction	9% reduction	34.7% reduction	7.5%
					Performance at maximum	
Improved female representation in senior leadership positions	7.5%	01/04/2023 – 31/03/2026	35%	40%	41.5% representation	7.5%
					Performance at maximum	

1 For performance between threshold and maximum, awards vest on a pro-rata basis.

2 EPS is defined on a constant currency basis.

3 ROCE is summarised as adjusted operating profit less amortisation of acquired intangibles divided by the average of capital employed in the current and the prior annual reporting periods. Acquisitions during the performance period are excluded.

The award will vest at 42.8% of the maximum. The Committee believes that, in line with its pay-for-performance principles, the vesting appropriately reflects performance over the three-year performance period and the shareholder experience.

Annual Report on Remuneration continued

2023 LTIP award

	Date award granted	Total number of shares granted	Percentage of award vesting	Number of shares vesting	Value ¹ of shares vesting	Number of shares awarded as dividend equivalent ²	Value ¹ of shares vesting including dividend equivalent
Richard Tyson	14 November 2023	53,023	42.8%	22,699	559,548	654	575,670

- 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 2026, £24.6508. 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.

Share awards granted during the financial year (audited) LTIP awards (audited)

Awards made under the LTIP during the financial year ended 31 March 2026 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 at date of grant ¹	Vesting date
Richard Tyson	19 June 2025	68,151	200%	£1,203,556	£17.66	31 July 2028
Paul Fry	19 June 2025	53,397	200%	£943,000	£17.66	31 July 2028

- The share price used to determine the number of shares under award was the average share price over the three trading days prior to grant.

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%	3% pa (25% vesting) to 10% pa (100% vesting) CAGR over three financial years measured from the FY25 year-end EPS.
Return on Capital Employed (ROCE)	30%	26% in the final year of the performance period (FY28) (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 FY2026 relative to the companies comprising the FTSE 250 Index (minus Investment Trusts) at the start of the performance period.
Sustainability – absolute reduction in Scope 1 & 2 CO₂ emissions (market-based) over the 2023/24 baseline	15%	45% reduction in the final year of the performance period (FY28) (25% vesting) to 65% reduction (100% vesting).

Annual Report on Remuneration continued

Summary of outstanding share awards held by Executive Directors (audited)

As at 31 March 2026, the outstanding options for Richard Tyson and Paul Fry under the LTIP¹ were as follows:

Scheme	1 Apr 2025	Granted in the year	Lapsed in the year	Exercised in the year	Dividend equivalents ¹	Awards held at 31 March 2026	Exercise price ²	Share price on date of grant	Date of grant	Earliest exercise	Latest exercise
Richard Tyson											
LTIP	13,521	-	-	13,521	-	-	£0.05	£20.55	14/11/2023	16/03/2024	15/03/2031
LTIP ²	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
LTIP	-	68,151	-	-	-	68,151	£0.05	£17.56	19/06/2025	31/07/2027	18/06/2035
Total	114,766	68,151	-	13,521	-	169,396					
Paul Fry											
LTIP	-	53,397	-	-	-	53,397	£0.05	£17.56	19/06/2025	31/07/2027	18/06/2035
Total	-	53,397	-	-	-	53,397					

1 Dividend equivalents are awarded on vesting of LTIP awards, for the period to vesting, in respect of the actual number of shares vesting.

2 The performance conditions relating to this award have been tested and the award will vest at 42.8%.

Annual Report on Remuneration continued

Shareholding requirements (audited)

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 LTIP awards may count towards the shareholding level, calculated at the net of tax value.

Directors' shareholdings as at 31 March 2026 (or date of resignation if relevant) are shown in the table below.

	Beneficially owned shares ¹	Share option awards vested but unexercised	Percentage of salary shareholding achieved ²	Guideline met as at 31 March 2026	Share option awards unvested and subject to performance ³
Richard Tyson	28,484	–	114%	No	169,396
Paul Fry ⁴	98	–	0%	No	53,397
Neil Carson	24,000	–	N/A	N/A	–
Alison Wood	–	–	N/A	N/A	–
Nigel Sheinwald	–	–	N/A	N/A	–
Hannah Nichols	–	–	N/A	N/A	–
Rowena Innocent ⁵	–	–	N/A	N/A	–

1 Includes shares held by connected persons, SIP partnership shares, SIP matching shares released from the three-year trust period and vested LTIP awards and their dividend equivalents.

2 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 2026: £24.00.

3 Award granted in 2023 will vest at 42.8% in July 2026. Awards granted in 2024 and 2025 remain subject to performance conditions.

4 Paul Fry was appointed Chief Financial Officer on 1 April 2025.

5 Rowena Innocent was appointed as a Non-Executive Director effective 17 February 2025.

There has been no change in the directors' interests in the ordinary share capital of the company between 31 March 2026 and the date of this report.

Annual Report on Remuneration continued

Performance graph and CEO's remuneration

The graph below shows for the ten years ended 31 March 2026 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.

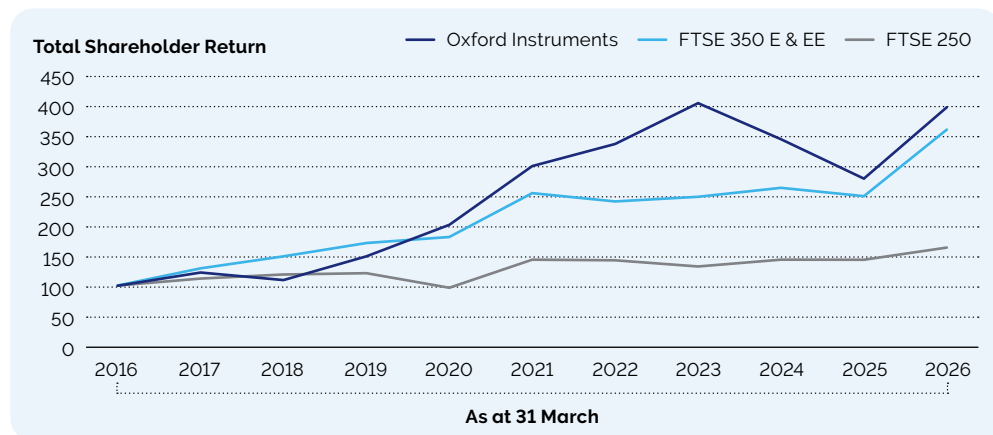
The total remuneration of the CEO over the last ten years is shown in the table below. The annual bonus payout and LTI vesting level as a percentage of the maximum opportunity are also shown.

Year ending 31 March	2017 ¹		2018	2019	2020	2021	2022	2023	2024 ³		2025	2026
	Jonathan Flint	Ian Barkshire							Ian Barkshire	Richard Tyson		
Total remuneration (£000)	64	620	791	1,957	1,967	2,244	2,087	2,135	1,321	1,392	1,468	1,775
Annual bonus outcome (%)	0%	56.3%	63.7%	94.4%	62.9%	100%	74.2%	80.56%	60%	60%	94%	60.2%
LTI ² vesting (%)	0%	N/A	N/A	92.8%	100%	100%	100%	100%	97.5%	N/A	N/A	42.8%

1 FY17: 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 LTI vesting across ESOS/SELTIS/PSP/LTIP (%). 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 FY24: 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.



Annual Report on Remuneration continued

Percentage change in the remuneration of the Directors

The table below shows the percentage change in each of the Director's salaries, taxable benefits and annual bonus earned between 2020/21 to 2025/26 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 2026	2024/25 to 2025/26 % change			2023/24 to 2024/25 % change			2022/23 to 2023/24 % change			2021/22 to 2022/23 % change			2020/21 to 2021/22 % change		
	Salary	Benefits	Bonus ⁶	Salary	Benefits	Bonus ⁷	Salary	Benefits	Bonus	Salary	Benefits	Bonus	Salary	Benefits	Bonus
Richard Tyson ¹	2.6	0.3	(34.4)	104.5	96.8	223.6	N/A	N/A	-	N/A	N/A	-	N/A	-	-
Paul Fry ²	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
Neil Carson	2.6	-	-	3.5	-	-	5.0	-	-	4.3	-	-	8.0	-	-
Alison Wood	2.6	-	-	4.1	-	-	8.6	100	-	9.3	-	-	N/A	-	-
Nigel Sheinwald	2.6	-	-	4.4	-	-	7.0	-	-	N/A	-	-	N/A	-	-
Hannah Nichols ³	7.6	-	-	369.7	-	-	N/A	N/A	-	N/A	N/A	-	N/A	-	-
Rowena Innocent ⁴	815.0	-	-	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 ⁵	9.8	17.5	40.3	2.7	(1.0)	46.5	1.7	(11.0)	(29.3)	10.3	9.01	(4.7)	4.2	(8.4)	(23.1)

1 Richard Tyson joined the Board on 1 October 2023 and the 2023/24 year does not reflect an equivalent full year of salary, benefits and bonus.

2 Paul Fry was appointed as Chief Financial Officer on 1 April 2025.

3 Hannah Nichols joined the Board on 1 January 2024 and was appointed Chair of the Audit and Risk Committee on 25 July 2024.

4 Rowena Innocent joined the Board on 17 February 2025. Rowena received fees of £7,391 for the period served in 2024/25.

5 Average employee pay includes all UK employees in service on 31 March 2026 for the 2024/25 to 2025/26 comparison, but excludes those who were on maternity leave, long-term sick leave and those who started or ended employment within the period.

6 The value of the average employee bonus for the year ended 31 March 2026 (to be paid in July 2026) was not fully 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.

7 The 2023/24 to 2024/25 change in average employee bonus has been restated for actual bonuses paid in July 2025.

Relative importance of the spend on pay

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

	Year ended 31 March 2026	Year ended 31 March 2025	% change
Employee costs (£m)	159.9	166.6	(4.0)%
Dividends (£m)	13.0	12.1	7.4%

Annual Report on Remuneration continued

Ratio of CEO pay to that of employees

The table below shows the ratio of the CEO's total remuneration for 2025/26 and the lower, median and upper quartile full-time equivalent remuneration of the Group's UK employees. Historical pay ratios are shown for comparison. The ratios have been calculated in accordance with Option A under the relevant regulations, as it provides the most statistically accurate method for identifying the pay ratios. Option A requires a company to calculate the total full-time equivalent pay and benefits of all its UK employees for the relevant financial year (using the same methodology as for CEO pay) in order to identify and rank the 25th, 50th and 75th percentiles. The total remuneration for employees includes salaries, taxable benefits, bonuses, share-based payments remuneration and pensions. The period of analysis is between 1 April 2025 and 31 March 2026. The analysis included colleagues employed at 31 March 2026.

Financial year	Method	25th percentile	50th percentile	75th percentile
2025/26	A	45:1	34:1	25:1
2024/25	A	40:1	31:1	23:1
2023/24	A	77:1	58:1	43:1
2022/23	A	66:1	49:1	37:1
2021/22	A	65:1	49:1	36:1
2020/21	A	73:1	55:1	40:1
2019/20	A	63:1	48:1	33:1

The aggregated payment made in respect of the CEO who served during the year, and the employees at the percentiles for the 2025/26 ratio are set out below:

	CEO	25th percentile	50th percentile	75th percentile
Salary	£598,109	£35,700	£47,398	£65,038
Total pay	£1,774,594	£39,167	£51,462	£70,575

For the purpose of calculating the pay ratio, the CEO's remuneration is based on the single figure table. Details of colleague bonus payments for the year ended 31 March 2026 (to be paid in July 2026) 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. The 2024/25 pay ratios have been restated to reflect the actual bonuses paid.

The Committee considers the median pay ratio consistent with the Group's wider policies on employee pay, reward and progression. For example, the Committee reviewed workforce remuneration practices which were taken into consideration when deciding the pay of Executive Directors and Senior Management. Changes in total remuneration for the CEO are reflective of the Committee's pay for performance principles and the performance delivered, with the majority of CEO remuneration opportunity being performance-related variable pay. The CEO's pay ratio, is therefore, heavily dependent on the outcomes of the annual bonus and LTIP. It is expected that there could be considerable year-to-year changes in the ratio. The increase in the pay ratio for 2025/26 compared to the prior year reflects the inclusion of an LTIP vesting for the CEO this year. Whilst the annual bonus outcome for 2025/26 is lower than 2024/25, the total variable pay outcome this year for the CEO with the inclusion of the LTIP vesting is higher, resulting in a slight increase to the ratio at all percentiles.

The Committee is satisfied that the pay ratios are appropriate and consistent with the pay, reward and progression policies in place for all employees.

Annual Report on Remuneration continued

Executive Directors' service contracts and Non-Executive Directors' terms of engagement

A summary of the operation of the Executive Directors' service contracts and policy on payments for loss of office is set out within the overview of the Remuneration Policy. The Chair and Non-Executive Directors do not have service contracts; they serve under letters of appointment and are subject to annual re-election by shareholders at the AGM. The term of appointment for Non-Executive Directors and the Chair is three years, the Chair has a six-month notice period and Non-Executive Directors terms provide for termination without notice. In the event of the termination of their position, they are entitled to reimbursement of any outstanding fees and expenses due. The dates of appointment and date of service contract (in the case of Executive Directors) or date of letter of appointment (in the case of Non-Executive Directors) for those Directors seeking re-election at the 2026 AGM are set out below. The service contracts and letters of appointment may be viewed at the company's registered office and at the company's AGM.

Executive Directors' service contracts

Executive Director	Date of appointment to the Board	Date of service contract	Notice period (rolling)
Richard Tyson	1 October 2023	1 October 2023	12 months by either party
Paul Fry	1 April 2025	8 January 2025	12 months by either party

Non-Executive Directors' terms of appointment

	Date of appointment to the Board	Notice period	Unexpired term
Neil Carson	1 December 2018	Six months by either party	2027 AGM
Alison Wood	8 September 2020	None	2029 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 continued

Non-Executive Directors' fees

The Committee and the Board, as appropriate, have reviewed the fees for the Chair and Non-Executive Directors. The Chair fee will increase by 3.5% effective from 1 July 2026. The fees payable to the Non-Executive Directors were reviewed during the year and will be realigned to better reflect the time commitments, skills and experience required in the roles.

	2025/26	2026/27	% increase
Board Chair	£217,978	£225,607	3.5%
Basic fee	£60,608	£68,000	12.2%
Additional fee for Senior Independent Director	£10,558	£15,000	42.1%
Additional fee for Committee Chair	£10,558	£15,000	42.1%

Note: The fees shown for 2025/26 and 2026/27 are the annual rates as at 1 July 2025 and 1 July 2026, respectively.

Statement of shareholder voting

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 2025 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	47,389,001	323,788	99.32	0.68	176,195

Annual Report on Remuneration continued

Committee advisers

During the year, the Committee received support and advice on all aspects of executive remuneration from its independent remuneration consultant, Korn Ferry. 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, including the review of the Remuneration Policy. The Committee is satisfied that the advice it received from Korn Ferry for the year ended 31 March 2026 was objective and independent.

The total fees paid to Korn Ferry for the advice provided to the Committee during the year were £78,978 (excluding VAT). Fees are charged predominantly on the basis of time and expenses.

ALISON WOOD

Chair of the Remuneration Committee

8 June 2026

Shareholder information

Financial calendar¹

9 June 2026	Announcement of preliminary results
9 July 2026	Final dividend ex-dividend date
10 July 2026	Final dividend record date
23 July 2026	Annual General Meeting
28 July 2026	Final dividend DRIP election date
18 August 2026	Final dividend payment date
13 October 2026	Trading update
10 November 2026	Announcement of interim results
26 November 2026	Interim dividend ex-dividend date
27 November 2026	Interim dividend record date
15 December 2026	Interim dividend DRIP election deadline
8 January 2027	Interim dividend payment date
31 March 2027	Financial year end

¹ Please note that these dates may be subject to change.

Annual General Meeting 2026

The 2026 Annual General Meeting of Oxford Instruments plc will be held at the offices of Ashurst LLP at London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW at 11.00am on Thursday 23 July 2026.

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/annual-general-meeting.

Analysis of share register at 31 March 2026

	Total number of holdings	Percentage of holders	Total number of shares	Percentage of issued share capital
By type of shareholder				
Individual	1,382	74.54	1,712,266	3.01
Institutions and others	472	25.46	53,718,551	96.91
By size of shareholding				
1-500	1,107	59.71	183,602	0.33
501-1,000	202	10.90	151,718	0.27
1,001-10,000	309	16.66	995,275	1.80
10,001-100,000	149	8.04	5,764,267	10.40
100,001-500,000	63	3.40	13,817,013	24.93
Over 500,000	24	1.29	34,518,942	62.27
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

Company information

Company name:
Oxford Instruments plc

Company number:
00775598

Registered office address:
Halifax Road
High Wycombe
United Kingdom
HP12 3SE

Type:
Public Limited Company

Website:
www.oxinst.com

Auditor:
Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

Calls to this 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

Directors' report

The Directors present the Annual Report of Oxford Instruments plc for the year ended 31 March 2026.

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 2026, 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 42 to 50 and the Sustainability Report on pages 51 to 78, 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 98 which is also incorporated by reference.

Results and dividends

The results for the year are shown in the Consolidated Statement of Income on page 179. The Directors recommend a final dividend of 18.2p per ordinary share, which together with the interim dividend of 5.4p per ordinary share is a total of 23.6p per ordinary share for the year (2025: 22.2p per ordinary share). Subject to shareholder approval, the final dividend will be paid on 18 August 2026 to shareholders registered at close of business on 10 July 2026.

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 the Risk Management Report on pages 81 to 94.

Directors

Biographies of all the Directors at the date of this report, including Non-Executive Directors, are set out on pages 102 to 104.

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 2026, are:

	31 March 2026 Shares	31 March 2025 Shares
Neil Carson	24,000	24,000
Richard Tyson	28,484	5,910
Paul Fry	98	N/A
Alison Wood	-	-
Nigel Sheinwald	-	-
Hannah Nichols	-	-
Rowena Innocent	-	-

Directors' report continued

Directors' interests continued

Details of share options for the Executive Directors are shown in the Remuneration Report on page 164.

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

In the year to 31 March 2026, no Director had a material interest in any contract of significance with OI plc or any of its subsidiaries. As of 29 May 2026, there were no changes to the above shareholdings.

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 2026, the Board issued 267,353 new shares (2025: 220,981) following the exercise of options under OI plc's share option schemes. At 31 March 2026, the issued share capital of OI plc was 55,401,506 ordinary shares of 5p each, 3,000,620 shares were repurchased and cancelled by the company itself during the year (2025: nil). Details of the share capital and options or other awards outstanding as at 31 March 2026 are set out in Notes 27 and 28, respectively, to the financial statements.

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

At the 2025 AGM, shareholders authorised the company to allot relevant securities: (i) up to a nominal amount of £969,323 (being one-third of the company's issued share capital); and (ii) up to a nominal amount of £1,938,645 (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 2026 AGM.

In 2025, 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 5,815,936 shares. As noted in the 2025 notice of meeting, the Directors will seek to renew this authority at the 2026 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 2026 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 2025 AGM. The Directors believe the resolutions being proposed at the 2026 AGM reflect market practice.

Research and development

Information on the research and development activities of the Group can be found on page 201.

Branches

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

Directors' report continued

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 April 2026:

	As at 30 April 2026	As at 31 March 2026
	% of voting rights over ordinary shares of 5p each	% of voting rights over ordinary shares of 5p each
Artemis Fund Managers	13.58	13.65
BlackRock, Inc.	8.99	8.73
Van Lanschot Kempen Investment Management	5.71	5.41
Aviva Investors	5.49	5.86
The Vanguard Group	5.23	4.99

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 £3,474 (2025: £6,167).

Political donations

During the year, the Group made no political donations (2025: 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 23 July 2026, 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. A special resolution to adopt new Articles of Association of the company will be proposed to shareholders at the AGM to be held on 23 July 2026.

External auditor

A resolution to reappoint BDO LLP as auditor for FY26 was passed at the 2025 Annual General Meeting. As explained on pages 135 to 136, a formal audit tender was conducted during the year and Deloitte LLP was appointed as the company's auditor on 20 October 2025 in respect of the financial year ended 31 March 2026. A resolution to reappoint them as auditor for FY27 will be proposed at the 2026 Annual General Meeting on 23 July 2026.

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.

Directors' report continued

Corporate governance statement

The Board's corporate governance statement is set out on page 107. The Board reviews its work on corporate governance in the Governance Report on pages 100 to 171. Pages 112 to 118 include details of how we engage with our stakeholders and page 119 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 25 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 51 to 78 further describes how diversity and inclusion is promoted 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 stakeholders' on pages 112 to 117.

Statement per Section 172(1) of the Companies Act 2006

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 Section 172(1) statement on page 119.

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 the Sustainability section on pages 51 to 78.

Material events

There were no material events since the year end to report.

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

8 June 2026