



## The Company's application of the QCA Code

*Last updated: May 2022*

### Contents

#### Part I:

#### Introduction

*The introduction explains the background to the adoption by the Company of the QCA Code.*

#### Part II:

#### The Chairman's corporate governance statement

*The Chairman's corporate governance statement sets out:*

- *The role and responsibility of the Chairman for corporate governance.*
- *A high level explanation as to how the QCA Code is applied by the Company and how its application supports the Company's medium to long term success.*
- *Explains any areas in which the Company's governance structures and practices differ from the expectations set out by the QCA Code and any proposed changes in governance arrangements.*
- *Identifies any key governance related matters that have occurred during the year.*

#### Part III:

#### The 10 principles of the QCA Code and related disclosures

*Part III sets out the 10 principles of corporate governance and the related disclosures (or sign-posts to where these disclosures can be found).*

*The 10 principles of the QCA Code:*

##### *DELIVER GROWTH*

1. *Establish a strategy and business model which promote long-term value for shareholders.*
2. *Seek to understand and meet shareholder needs and expectations.*
3. *Take into account wider stakeholder and social responsibilities and their implications for long-term success.*
4. *Embed effective risk management, considering both opportunities and threats throughout the organisation.*

##### *MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK*

5. *Maintain the Board as a well-functioning, balanced team led by the Chairman.*
6. *Ensure that, between them, the directors have the necessary up-to-date experience, skill and capabilities.*
7. *Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.*
8. *Promote a corporate culture that is based on ethical values and behaviours.*
9. *Maintain good decision-making by the Board.*



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## The Company's application of the QCA Code

*BUILD TRUST*

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

### Part I: Introduction

As an AIM-listed Company, Intelligent Ultrasound Group plc ("Intelligent Ultrasound", the "Company" or the "Group") is required to comply with a recognised corporate governance code. The directors have applied the principles of the corporate governance code published by the Quoted Companies Alliance ("the QCA Code"), to the extent that they consider them appropriate for a company of the size and nature of Intelligent Ultrasound Group plc, in establishing its corporate governance policies.

The QCA Code sets out 10 corporate governance principles and how to apply these principles, including a set of specific disclosures required in the Company's annual report and accounts or on its website. Where a company departs from the principles (and their application) it should provide a well-reasoned explanation for doing so as part of its reporting on corporate governance. The narrative below in Part III sets out the disclosures required under each of the 10 principles or, where they have not been addressed, the Board's explanation for not doing so.

Where the required disclosures are contained in the Group's Annual Report and Accounts, the narrative in Part III below "sign-posts" the disclosure to those accounts.



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## **The Company's application of the QCA Code**

### **Part II: The Chairman's corporate governance statement**

#### **The role of the Chairman**

The Board recognises its collective responsibility and legal obligation to promote the interests of the Company and defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with myself as Chairman of the Board.

#### **How the QCA Code is applied by the company to support medium to long-term success**

The Company applies the code to maintain the 10 principles set out in the QCA Code by:

1. Establishing a strategy and business model to promote long-term value for shareholders.
2. Seeking to understand and meet shareholder needs and expectations.
3. Taking into account wider stakeholder and social responsibilities and their implications for long term success.
4. Embedding effective risk management, considering both opportunities and threats throughout the organisation.
5. Maintaining the board as a well-functioning, balanced team led by the Chairman.
6. Ensuring that between them the directors have the necessary up-to-date experience, skills and capabilities.
7. Evaluating board performance based on clear and relevant objectives, seeking continuous improvement.
8. Promoting a corporate culture based on ethical values and behaviours.
9. Maintaining governance structures and processes that are fit for purpose and support good decision-making by the board.
10. Communicating how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

#### **Areas in which the Company's governance structures and practices differ from the expectations set out by the QCA Code and proposed changes in governance arrangements**

##### *Understanding shareholder needs and expectations*

The Company's shareholders include a number of private individuals who have invested through VCT/EIS and other investment funds and it is not possible to engage with all elements of the Company's shareholder base to gain an understanding of their needs and expectations.

However, the Directors (principally the CEO and CFO) endeavour to meet with major shareholders and engage with others at presentations made to groups of shareholders. All Directors attend the Company's Annual General Meeting with shareholders. Existing and potential investors are also



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## **The Company's application of the QCA Code**

invited to contact the Company about any investor relations matter by emailing [intelligentultrasound@walbrookpr.com](mailto:intelligentultrasound@walbrookpr.com).

### **That the Company Secretary should not be an Executive Director**

The Board members have significant external Board Director experience and are aware that they may seek independent professional advice at the Company's expense to discharge their duties. The roles of CFO and Company Secretary have been combined in the interests of efficiency and cost, however the separation of the roles is reviewed annually.

### **Requirement to have at least two independent non-executive Directors on the Board**

For the period 1 January 2021 until the appointment of Ingeborg Øie on 19 May 2021, out of the five Non-executive Directors, including the Chairman, only Andrew Barker and Riccardo Pigliucci were considered independent.

- Nazar Amso and Nick Avis are not considered independent on the grounds of tenure, both having served on the Board for over 15 years.
- David Baynes is not considered independent as he is COO/CFO of IP Group plc, which owns 21% of the Company's issued share capital.

Although Nick Avis, Nazar Amso, Andrew Barker and Riccardo Pigliucci hold a small number of share options in the Company, these are not considered to affect their independence on the basis they are historical, one-off share options and the value is not significant relative to their respective personal financial position. The remaining unexpired options vest after set time periods with no dependence on any Company performance measure. Two-thirds of the share options held by Nick Avis and Nazar Amso lapsed in March 2021.

Following the appointment of Ingeborg Øie and Michèle Lesieur, both of whom are considered independent, the Board now has four independent Non-executive Directors.

### **Review of the performance of the Board as a whole and committees**

During the year a review of the effectiveness of the individual directors was performed. However, the QCA Code requires that a regular review for effectiveness is also carried out for the board as a whole and for individual committees. Whilst an external board evaluation was performed in 2020, there was no such review in 2021 for either the board or the individual committees. Such reviews will be performed within the next 12 months.

### **Key governance related matters that have occurred during the year**

The Board welcomed Ingeborg Øie as a Non-executive director of the Company on 19 May 2021. Ingeborg brings to the Company outstanding experience in the Financial world having been a medical



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## **The Company's application of the QCA Code**

devices and healthcare services analyst at Goldman Sachs and Jefferies, CFO of surgical robotics unicorn, CMR Surgical and is currently Chief Strategy Officer digital health company Huma.

Michèle Lesieur also joined the Board on 20 September 2021. Michèle brings to the Company outstanding industry, corporate governance, and investor relations experience, having been CEO of Philips France and General Manager of Philips Healthcare France and most recently CEO of Euronext listed Supersonic Imagine, that was sold to Hologic in 2019 and Non-executive director of EOS Imaging, a listed software medtech company, sold to Nasdaq listed Alphatec Holdings, Inc in 2021. Michèle remains Chairman of the Board of Intra-sense, a listed software medtech company and Non-executive director of Prodways Group, a listed 3D printing company. These appointments strengthen the number of independent NEDs on the Board to three.

This report sets out in broad terms how we comply at this point in time. We will provide annual updates on our compliance with the QCA Code.

Riccardo Pigliucci

Chairman

24 May 2022



## The Company's application of the QCA Code

### Part III: The 10 principles of the QCA Code and related disclosures

The following narrative sets out each of the 10 principles of the QCA Code and the disclosures required to be made by the Company under the code in respect of each principle or a sign-post to where the related disclosures can be found in the Company's Annual Report & Accounts.

#### DELIVER GROWTH

##### 1 Establish a strategy and business model which promotes long-term value for shareholders

The Group's business model and strategy to deliver shareholder value in the medium to long-term is set out in the Strategic Report of the 2021 Annual Report. The Risk Management section of the 2021 Annual Report includes a discussion of the key challenges facing the Group and how these will be addressed.

#### Our strategy

Our strategy is to invest in R&D to develop and then commercialise software-based disruptive technologies in the ultrasound healthcare market. Our strategy to unlock this growth is to:

- (i) make it easier for medical professionals to learn how to use ultrasound through the development of advanced ultrasound training simulators that enable more clinicians to use ultrasound in the clinic and hence enable more training simulators to be sold; and
- (ii) make it easier for medical professionals to use ultrasound in the clinic by providing real-time AI assisted interpretation of the ultrasound images whilst they are scanning the patient, enabling the Group to sell software to ultrasound manufacturers and manufacturers to sell more ultrasound devices.

Ultrasound is one the world's leading diagnostic modalities and although the increasing availability of low-cost handheld devices has the potential to dramatically increase the professional ultrasound user base, we continue to believe that this alone is not sufficient to open up the potential for ultrasound to become a mass-market diagnostic tool that can also be used by medical practitioners who do not possess specialist ultrasound skills. To achieve this, ultrasound needs to become simpler to use by making ultrasound machines 'smarter', supporting users both in their scanning and with automated decision-making. This will involve using AI to integrate image analysis into professional imaging devices, provided not just by the major companies in the current ultrasound market, but also onto the new, smaller and cheaper handheld devices. This is a new and exciting market and, although



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## The Company's application of the QCA Code

competitive and fast moving, having won our first significant contract with a major ultrasound device manufacturer, it's one we believe we have the skills and capabilities to compete in.

We aim to be not only a major global provider of hi-fidelity simulation-based ultrasound training, but also to follow the medical professional into the clinic and be a provider of AI based clinical ultrasound software that can support, guide and speed up ultrasound scanning to make ultrasound more accessible.

This model builds on the key strengths and resources of the Group by leveraging our knowledge and experience in medical ultrasound, simulation and machine learning to develop software that can increase the numbers of medical professionals who can use ultrasound, as well as increasing the speed and quality of scanning itself.

In the long term, as the price of the hardware comes down and the performance of our AI enabled software advances, we aim to provide enabling software for mass market AI-based health check scanning at home for the health-conscious consumer.

### 2 Seek to understand and meet shareholder needs and expectations

Intelligent Ultrasound's CEO, Stuart Gall, is ultimately responsible for shareholder liaison. Stuart is supported by other members of the Board, principally the Chairman, Chief Financial Officer, Chief Operating Officer and Chief Technology Officer along with the Company's media and investor relations advisors, Walbrook PR and the Company's broker, Cenkos.

The Company engages directly with its shareholders as follows:

- face-to-face meetings and teleconferences with major shareholders by arrangement through the Company's brokers, Cenkos, or its investor relations advisors, Walbrook PR;
- shareholder presentations to larger groups of smaller investors;
- at the Annual General Meeting; and
- shareholders are invited to contact the Company about any investor relations matters by emailing [intelligentultrasound@walbrookpr.com](mailto:intelligentultrasound@walbrookpr.com).

The Board believes that the meetings and presentations have assisted greatly in the management of shareholder expectations. However, and perhaps inevitably, it is has proved easier to obtain a better understanding of the needs of shareholders through individual shareholder meetings rather than at shareholder presentations where participants are less willing to voice their individual needs and expectations in public.

### 3 Take into account wider stakeholder and social responsibilities and their implications for long-term success



## The Company's application of the QCA Code

The Company recognises that its success relies on relations with a range of stakeholders – shareholders, employees, medical advisors, customers, suppliers and regulators. The Company regularly engages with all stakeholders to gain an understanding of their needs, interests and expectations. This engagement includes regular staff meetings, support group meetings, sales team and customer meetings and meetings with external medical advisors. The Company's business plan is focussed on developing the 'Gold Standard' ultrasound simulation systems and cutting edge AI software to make ultrasound more efficient and accessible to more medical professionals. The Company does not have the resources to finance a large in-house clinical team, but our R&D teams receive invaluable input from medical consultants who are experienced specialists in their respective fields which, along with input from our customers, staff and technology suppliers, has played a significant part in the development of our technology. For example, this input has helped us identify the key pathologies that our simulators need to cover in the training programmes and to develop our learning management systems. Similarly, with regard to our clinical projects, our stakeholders have helped us identify the work flow log-jams in ultrasound screening programmes and this has helped to direct the focus for our AI software development.

<b>4</b>	<b>Embed effective risk management, considering both opportunities and threats throughout the organisation</b>
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The Board considers that it has internal controls in place that are appropriate for the size, complexity and risk profile of the Group.

The following narrative explains how the Board has embedded risk management into the organisation in order to execute and deliver its strategy. It describes what the Board does to identify, assess and manage risk and how, through setting clear roles and responsibilities, it gets assurance that the risk management and related control systems in place are effective.

### Identification, rating and mitigation of risk

- Risk management is ultimately the responsibility of the Company's senior management.
- However all staff have a role to play in identifying risks and they are encouraged to contribute to the Company's risk register.
- The Company's risk register (referred to internally as "The RAG (Red/Amber/Green) Report" is split into the following sections:
  - Operational Risks
  - Financial Risks
  - Systems Risks
  - Compliance Risks
  - Fraud/Bribery Risks
- Risk areas are entered on the risk register under each category as appropriate.



## **The Company's application of the QCA Code**

- The individuals responsible for managing each specific risk are named alongside.
- Each risk identified is given a rating of High, Medium or Low (H,M,L) based upon two criteria:
  - Impact
  - Likelihood
- The existing controls that we have in place to mitigate each risk and the future actions needed to improve those controls (if any) are noted alongside each risk on the RAG Report
- Any action required to tighten up existing controls or implement new controls is noted on the risk register.
- Finally each risk is given a Red, Amber, Green status based upon senior management's assessment. This is based upon a judgement of the level of controls currently in place along with a consideration of the 'impact' and 'likelihood' ratings.
- If the risk status is categorised as Green then this may be a tolerated risk or one where the actions have mitigated the risk to an acceptable level.
- If the risk status is categorised as Amber then it is acknowledged that the risk has not been eliminated but can still be tolerated so long as recommended actions are followed (as identified in the Actions column).
- If the risk status is Red then either the action plans must be put in place immediately or if there is no appropriate, cost effective mitigating action available then the project/activity should be terminated.

### **Financial controls**

The principal elements of the Group's financial control systems include:

- close management of day to day activities of the Group by the Executive Directors;
- a schedule of delegated authority that requires high value expenditure to be approved by several Executive Directors and significant spend to be referred to the full Board;
- annual budgeting process including a detailed consolidated income statement, balance sheet and cash flow, which is approved by the Board; and
- detailed monthly reporting of Group performance against budget.

### **Staff policies and procedures**

The Group's policies and procedures which relate to employees are set out in its Staff Handbook. The handbook, which is given to all staff on joining the Group, endeavours to mitigate the risks associated with our employees and includes policies and procedures covering health & safety, anti-bribery and corruption, ethics, equal opportunities, share dealing, I.T. use, data protection, staff privacy and whistle blowing.

### **Roles and responsibilities**



## The Company's application of the QCA Code

### Full board

- Detailed review of corporate risks and mitigating actions
- Identification of any additional risks
- Consideration of risk when making decisions
- Establish acceptable parameters for risk
- Consider opportunities and threats throughout the Group

### Executive directors

- Bi-annual high level review of RAG Report and mitigation of risks, ensuring that the risk management process works properly
- Identification of additional corporate risks

### Audit committee

- Provision of advice on the strategic process for risk, control and governance and internal controls
- Identification of additional corporate risks

### Senior management team

- To identify risks to the achievement of their department targets which might also be corporate risks and to advise the Executive Directors of such risks
- To identify any relevant mitigating factors, to include controls already in place and recommended actions

- To be alive to other risks that might develop in the year

### All staff

- To be alert to possible risks and to raise risks they have identified with their managers

## MAINTAIN A DYNAMIC MANGEMENT FRAMEWORK

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

The Board members have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chairman.

The Board comprises the Non-executive Chairman, four Executive Directors and six Non-executive Directors (as at the date of this report). The Board considers that Andrew Barker, Michele Lesieur and Ingeborg Oie are independent directors plus Riccardo Pigluicci. Currently no Senior Independent Director has been appointed, but the Board continues to evaluate a possible appointment.



## The Company's application of the QCA Code

The Board meets at least 11 times each year and holds meetings by telephone/Microsoft Teams in the months when the Board members do not meet in person. It is the responsibility of the Company Secretary (supported by reports submitted by the Executive Directors) to provide the Board with high quality information in a timely manner to facilitate the proper assessment of the matters requiring a decision or insight.

A review of the operations of the Remuneration and Audit committees is included in the 2021 Annual Report.

### Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of other commitments and interests of its Directors and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

6	Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
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The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of innovation, software development, the use of medical ultrasound, finance, marketing, international trade and corporate acquisitions.

The Board includes some diversity in terms of the background and ethnicity of each director, however, there are currently no female members of the Board.

A description of the Board members is included in the 2021 Annual Report & Accounts.

### Independent advice

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary.

7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
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The Chairman regularly assesses the performance of each of the Directors (including by way of one-to-one meetings) to ensure that they remain committed to the business, that their individual contributions are relevant and effective and, where relevant, they have maintained their independence.



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## **The Company's application of the QCA Code**

The performance of the Company's four Executive Board members is reviewed annually by the Remuneration Committee. The criteria that the Executive Board's effectiveness are measured against include the following:

- Team work
- Contribution toward strategy development and achievement of goals and objectives set out in that strategy
- Improvement in the Company share price
- Successful integration of companies acquired into the Group
- Innovation and problem solving

The performance of the individual Executive Directors is measured against the following key criteria:

The Chief Executive

- Leadership and management of the Executive Board
- Strategy development and implementation
- Effective communication with shareholders, other stakeholders and potential investors

The Chief Technology Officer

- New product developments and innovation
- Management of the R&D teams

The Chief Operating Officer

- Sales growth and new product launches
- Management of the sales teams
- Management of key supplier relationships

The Chief Financial Officer

- Management of working capital and cash flow
- Production of timely and accurate management information and feedback from the auditors
- Ad hoc projects – involving acquisitions, SPAs, financial due diligence, shareholder circulars, human resources, health & safety and other regulatory compliance

The performance of the Non-executive board members, including the Chairman, is evaluated on an annual basis by the Executive Board using the performance measures identified below:

The criteria against which the Non-executive board members effectiveness is considered include the following:

- Contribution at Board meetings toward strategic development and problem solving



## The Company's application of the QCA Code

- Value of input to the Remuneration and Audit Committees on which they serve
- The extent to which they fill skill or experience gaps in the Executive Board
- Advice on compliance matters

The evolution of the evaluation process has resulted in an environment which tries to foster continual improvement so that as one target is achieved a more ambitious target is set for the following period. The Executive Director share option vesting conditions have also become more focussed on increasing shareholder value to reflect a key objective of the Board.

### Succession planning

The Board recognises that no Board member should become indispensable, but also acknowledges that the CTO has played a significant role in the development of many of the Group's products and the Company has taken steps to ensure that there are documented knowledge transfer processes to the R&D team who report to him in place. In support of this, the remuneration offered to key individuals within the senior R&D team is frequently reviewed to ensure that we can recruit and retain talented individuals capable of delivering the product pipeline and gaining experience as the business grows so that, over time, the Group's R&D skill-set is spread over a number of individuals.

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

The Board has introduced an ethics policy which forms part of the Staff Handbook and a breach of the policy by any member of staff would result in disciplinary action to ensure that the Company's ethical values and behaviours are recognised and respected. A summary of the policy is set out below:

It is the policy of Intelligent Ultrasound to conduct its business at all times and throughout the world with honesty and integrity and the Company will continue to be an ethical and responsible company.

This policy is embedded within the Staff Handbook which is given to all Group employees when they join the business and is updated and refreshed regularly.

The Company recognises it has a responsibility for all the actions of its employees in connection with the activities of the organisation. In view of this, the Company believes that the ethics demonstrated by our employees should give all customers, shareholders, suppliers, colleagues, business partners and regulators confidence that the Company operates in a way that avoids any suggestion of improper or personal motives or actions.

Therefore, all employees are expected to conduct themselves in accordance with the Company's Code of Ethics at all times.

## 9 Maintain governance structures and processes that are fit for purpose and support good decision-making by the board



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## **The Company's application of the QCA Code**

### **Intelligent Ultrasound's governance structures and processes**

The Directors support high standards of corporate governance and have established a set of corporate governance policies which they regard as appropriate for the stage of development of the Group. For example, the Company has adopted a share dealing code for directors and employees on substantially the same terms as the Institute of Chartered Secretaries & Administrators' (ICSA) model code on directors' dealings in company shares. The Board has also implemented a review of the key risks facing the business and the effectiveness of the Group's internal controls and has updated its internal control arrangements to ensure they remain appropriate.

### **Internal controls**

The Directors acknowledge that they are responsible for the Group's system of internal controls and for reviewing its effectiveness. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed. Internal control procedures are regularly reviewed to identify, evaluate and manage the significant risks faced by the Group. The procedures are designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

### **Main control procedures**

The Directors have established control procedures in response to key risks. Standardised financial control procedures operate throughout the Group to ensure the integrity of the Group's financial statements. The Board has established procedures for authorisation of capital and revenue expenditure.

### **Monitoring systems used by the Board**

The Board holds meetings at least 8 times per annum and at other times as and when required. The Board reviews the Group's performance against budgets on a monthly basis. The Group's cash flow is monitored monthly by the Board.

### **Matters reserved for the Board**

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Board also reviews trading and research and development performance. Day-to-day operational decisions are delegated to the senior management team. Key issues reserved for the Board include the consideration of potential acquisitions, share issues and fund raising, the setting of Group strategy, City public relations, the review and evaluation of significant risks facing the business and the appointment of new directors to the Board. Briefing papers are distributed by the



## **The Company's application of the QCA Code**

Company Secretary to all directors in advance of Board meetings. All directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable directors to obtain independent professional advice in the furtherance of their duties if necessary, at the Company's expense.

### **Specific individual corporate governance responsibilities of the Board**

#### Chairman

- Ultimate responsibility for corporate governance

#### Chief Executive

- Engagement with shareholders and potential investors

#### Chief Technical Officer

- Regulatory compliance in respect of R&D and engagement with regulators

#### Chief Operating Officer

- Engagement with sales teams and key suppliers

#### Chief Financial Officer

- Implementation and management of internal controls
- Maintenance of the Group's risk register
- Other (non-R&D) regulatory compliance and engagement with regulators
- Governance issues relating to Human Resources

### **Audit and Remuneration Committees**

The Board has established Audit and Remuneration Committees with formally delegated duties and responsibilities. The Audit Committee comprises David Baynes as Chairman along with Riccardo Pigliucci, Professor Nick Avis and Andrew Barker. The Remuneration Committee comprises Andrew Barker as Chairman along with Riccardo Pigliucci, Professor Nick Avis and David Baynes.

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and accounting and internal control systems in use throughout the Group. The Audit Committee meets at least twice in each financial year and has unrestricted access to the Group's external auditors. The terms of reference for the Audit Committee can be found at <https://investors.intelligentultrasound.com/directors-and-committees/>



## The Company's application of the QCA Code

The Remuneration Committee reviews the performance of the executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to the employee share option schemes or equity incentive plans in operation from time to time. The Remuneration Committee meets as and when necessary. The terms of reference for the Remuneration Committee can be found at <https://investors.intelligentultrasound.com/directors-and-committees/>

### Internal audit

The Group does not have an independent internal audit function, as the Board does not consider the current scale of operations warrant such a function. However, the Board will keep this under review, with a view to creating an internal audit function when it is warranted.

## BUILD TRUST

10	<b>Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</b>
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The Company communicates with shareholders through its Annual Report and Accounts, half-year results announcement and periodic announcements through the Regulated News Service and RNS Reach. The Company also maintains a dialogue with shareholders at its Annual General Meeting and one-to-one meetings with large or potential shareholders and investor presentations to larger groups of smaller shareholders. Shareholders can also contact the Company's investor relations advisor by emailing [intelligentultrasound@walbrookpr.com](mailto:intelligentultrasound@walbrookpr.com). A range of corporate information (including all Company announcements and presentations) is also available to shareholders and other stakeholders on the Company's website [www.intelligentultrasound.com](http://www.intelligentultrasound.com). The Chief Executive chairs regular "Breakfast Meetings", to which all staff are invited in person or by video link, to update them on Group performance by division and to obtain their feedback and maintain a dialogue with employees at all levels.

The 2021 Annual Report & Accounts contains the following:

- A description of the work of the Audit and Remuneration Committees during the year;
- An Audit Committee report;
- A Remuneration Committee report; and
- Details of any disclosures set out under Principles 1-10 above which have been omitted along with an explanation of the reason for their omission.

### Annual Report & Accounts and Notices of Shareholder Meetings



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## The Company's application of the QCA Code

Copies of the Group's Annual Report & Accounts including notices of Annual General meetings and other General Meetings held by the Company since incorporation are included at <https://investors.intelligentultrasound.com/reports-and-presentations>

### The result of the last Annual General Meeting

At its Annual General Meeting held on 22 June 2021 the following resolutions were proposed and duly passed by shareholders. The proxy votes received for each resolution are detailed in the table on the next page.

#### ORDINARY RESOLUTIONS

1. *TO RECEIVE AND ADOPT the Annual Report and Accounts for the year ended 31 December 2020 together with the reports of the directors of the Company ("Directors") and the auditor thereon.*
2. *THAT Deloitte LLP be appointed as the Company's auditor and to authorise the Directors to fix its remuneration.*
3. *THAT Helen Mary Kinsey Jones, who retires by rotation, is re-appointed as a Director in accordance with the Company's articles of association ("Articles").*
4. *THAT Prof. Nazar Najib Amso, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*
5. *THAT Andrew Charles Barker, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*
6. *THAT David Graham Baynes, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*
7. *THAT Stuart Arthur Gall, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*
8. *THAT Riccardo Pigiucci, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*
9. *THAT Nicholas James Sleep, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*
10. *THAT Ian George Whittaker, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*



## **The Company's application of the QCA Code**

11. *THAT Nicholas John Avis, who retires by rotation, is re-appointed as a Director in accordance with the Articles.*
12. *THAT Ingeborg Dybdal Øie, who was appointed as a Director of the Company on 19 May 2021, be and is hereby re-appointed as a Director in accordance with the Articles.*
13. *THAT the Directors be generally and unconditionally authorised in accordance with section 551 of the 2006 Act to allot Relevant Securities (as defined in note 5 to the notice of annual general meeting) up to an aggregate nominal amount of £889,009.41 (representing approximately 33 per cent. of the issued share capital of the Company), provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 15 months from the date of the passing of this resolution, or if earlier, at the conclusion of the annual general meeting of the Company in 2022, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the directors may allot Relevant Securities to be allotted in pursuance of such offer or agreement notwithstanding that the authority hereby conferred has expired. This authority is in substitution for all previous authorities conferred on the Directors in accordance with section 551 of the 2006 Act.*

### **SPECIAL RESOLUTION**

14. *THAT, subject to the passing of resolution 13, the Directors be generally empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) for cash as if section 561(1) of the 2006 Act did not apply to any such allotment pursuant to the general authority conferred on them by resolution 13 above (as varied from time to time by the Company in general meeting) PROVIDED THAT such power shall be limited to:*
  - a. *the allotment of equity securities in connection with a rights issue or any other offer to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and*
  - b. *the allotment (otherwise than pursuant to sub paragraph (a) above) of equity securities up to an aggregate nominal amount of £134,698 representing 5 per cent. of the issued share capital of the Company*

*and the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the Directors pursuant to section 570 of the 2006 Act and shall expire on whichever is the earlier of the conclusion of the annual general meeting of the Company in 2022 or the date falling 15 months from the date of the passing of this resolution (unless renewed varied or revoked by the Company prior to or on that date) save that the Company may before such expiry make an offer or agreement which would or might require equity*



## The Company's application of the QCA Code

*securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.*

Proxy votes received at the Annual General Meeting held on 22 June 2021:

Combined Chairman and Third Party						Discretion			Against			Withheld	
Resolution	Votes	In Favour %age	Items	Votes	%age	Items	Votes	%age	Items	Votes	Items		
1	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
2	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
3	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
4	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
5	141,450,291	84.77	15	0	0	0	25,415,236	15.23	2		0	0	
6	141,450,291	84.77	15	0	0	0	25,415,236	15.23	2		0	0	
7	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
8	141,450,291	99.99	15	0	0	0	10,000	0.01	1	25,405,236	1	0	
9	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
10	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
11	141,450,291	84.77	15	0	0	0	25,415,236	15.23	2		0	0	
12	166,855,527	99.99	16	0	0	0	10,000	0.01	1		0	0	
13	162,393,508	97.59	14	0	0	0	4,010,022	2.41	3	461,997	2	0	
14	162,393,508	97.32	14	0	0	0	4,472,019	2.68	5		0	0	

NB: Percentage of Votes cast excludes Withheld votes