QCA CODE COMPLIANCE STATEMENT

Chairman's Introduction

The Board of Directors ('the Board') is committed to effective corporate governance and all Directors are fully aware of their duties and responsibilities. In accordance with Rule 26 of the AIM Rules for Companies, Strix confirms that it observes the Quoted Companies Alliance ("QCA") Corporate Governance Code. The Board believes that adherence to the QCA Code provides a strong foundation for delivering shareholder value. Directors of companies incorporated in the Isle of Man are also required to comply with certain duties contained in the Isle of Man Companies Acts, and the Directors confirm that they comply with those duties.

It is the role of the Board, led by myself as Chairman, to ensure that Strix and its subsidiary undertakings (the 'Group') is managed in a way that nurtures and protects the medium to long-term benefit of all shareholders, supported by effective and efficient decision-making. Applying the QCA Code forms an important part of this process, which serves to mitigate and minimise risk and add value to our business.

Set out below is a description of each of the principles of the Code, together with an explanation of how this is applied by Strix and of any departures from the Code.

Further details of corporate governance and our risk management framework are set out in the latest Annual Report, published on our investor relations website.

This statement was re-issued on 9 August 2019 and will be reviewed and updated at least annually.

Gary Lamb
Chairman
Strix Group Plc

QCA Code Principle	QCA Code Application Guidance	How does Strix apply this?	Links to further information
(1) Establish a strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long term. It should demonstrate the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long term future.	Strix has developed a clear strategy to act as a guiding principle and to articulate how long-term value will be generated for shareholders. The Board has refined and updated this strategy during the year to ensure it remains fit for purpose given the changes in the environment in which the Group operates. Strix has an established risk management framework which assists the Board in achieving an appropriate balance between risk and reward. In turn, this allows the Board to take actions to mitigate unnecessary or undesirable risk and to safeguard the long-term viability of the Group. Strix also has significant resources available to create medium to long-term value. These include: • a market-leading share of the global kettle controls market • significant, long-standing customer relationships • a large portfolio of intellectual property • a strong pipeline of new products	Disclosure of the Group's strategic pillars is included on pages 18 to 19 of the 2018 Annual Report and Accounts. This includes a description of each part of the strategy, together with progress for the financial year being reported on, the associated risks of not carrying out this part of the strategy, and an outlook actions for the following year. Strix's value chain is explained on page 5 and the way in which we deliver value for our stakeholders is set out on pages 16 to 18 of the 2018 Annual Report and Accounts. Together, these pages explain how Strix promotes long-term value for shareholders at each part of the life cycle of its products and services. Strix's risk management framework is set out on pages 26 to 29 of the 2018 Annual Report and Accounts. This sets out our understanding and assessment of the risks which the Group faces in executing its chosen strategy.

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(2) Seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the company's shareholder base. The board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	The Executive Directors engage regularly with investors and analysts at meetings and investor roadshows in order to articulate the Group's strategy, business model and performance, and ensure they are clearly understood. This also provides the Executive Directors with an opportunity to understand what shareholders' expectations and needs are. This two-way dialogue is key to driving the Group forward and informs the decision-making process that the Board undertakes on key matters. The Board also seeks to engage with shareholders throughout the year, in particular via our regular reporting of performance and key news announcements via RNS. All members of the Board attend the Annual General Meeting in person and the Board encourages shareholders to attend this meeting and ask questions. In the event of a substantial vote (more than 20%) against any particular resolution, the Board will engage with shareholders in order to determine the appropriate course of action. The Board also engages with both institutional and private shareholders to understand the needs and expectations of both of these groups.	Our RNS notifications are available on the following page: RNS notifications. This includes the results of the AGM voting outcomes, showing the percentage of votes for, against and withheld for each resolution. Our latest annual reports and other shareholder documents are available on the following page: Reports and documents

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(3) Take into account wider stakeholder and social responsibilities and their implications for long term success	Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations. Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	Strix's long history has enabled it to develop a good understanding of its key stakeholders. This understanding helps the Board and the management team make well-informed business decisions and to deliver on our strategic objectives. Strix's key stakeholder groups are: • Employees • Shareholders (both institutional and private) • Customers • Suppliers Strix repeated its global employee engagement survey across all employees using the 'Say-Stay-Strive' model. The survey was the second engagement survey undertaken and we believe that the rate of completion demonstrates that our employees are motivated to provide constructive feedback to enable us to succeed in achieving our strategy. As part of our HR strategy management are committed to making positive changes in the Group which will increase our engagement index score. Strix also holds regular discussions with its customers and suppliers to ensure that we take into account these key stakeholders. Many of Strix's customers and suppliers have worked with Strix for decades, which helps us to understand the importance of these relationships in order to continue to succeed.	Information in relation to the employee engagement survey is set out on page 21 of the 2018 Annual Report and Accounts. Details of our Corporate and Social Responsibility activities during the year is set out on pages 34 to 35 of the 2018 Annual Report and Accounts.
(4) Embed effective risk management, considering both opportunities and threats, throughout the organisation	The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer. Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).	Strix has in place a risk management framework which assists the Board in identifying, assessing, and mitigating the risks faced by the Group to an acceptable level. This is reviewed on an ongoing basis and actions are taken as needed to reduce the risks to an acceptable level, if required.	The risk management framework is set out on pages 26 to 29 of the 2018 Annual Report and Accounts. This sets out the Board's understanding and assessment of the risks which face the Group in executing its strategic objectives.

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(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 chair of the board. The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a board judgement. The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Directors must commit the time necessary to fulfil their roles.	The Board includes two non-executive directors, being Gary Lamb and Mark Kirkland. In the Board's judgement, both Gary Lamb and Mark Kirkland are independent although it is noted in this regard that Gary Lamb also chairs the Board, having been appointed on a permanent basis on 6 March 2018. Given the relatively small size of the Board (4 Directors), the Directors consider that the Board has an appropriate balance between executive and non-executive directors, and that this is sufficient for the Board to be considered independent as a whole. The Directors consider that this structure is appropriate for the size and nature of the Group, although this is kept under regular review.	Disclosure is set out on pages 38 to 40 of the 2018 Annual Report and Accounts which coves Directors' independence, time commitment, number of meetings of the Board and attendance by the Board and its key committees at each meeting. Further information on Directors' independence and interests is included in the Directors' report on pages 48 to 49 of the 2018 Annual Report and Accounts.

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(6) Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.	The Board is composed of individuals with an appropriate mix of experience and skills, including experience serving on the boards of listed companies. The Board is represented by an appropriately diverse mix of individuals, given its size. The Board is not dominated by any one person or group of people. All Directors have the ability to challenge proposals put forward to the meeting and decisions are reached democratically.	A short biography of each Director is provided at: Leadership Team Further details on corporate governance are provided on pages 38 to 40 of the 2018 Annual Report and Accounts.

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(7) Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. The board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable.	During the year, the Board has undertaken an assessment of its own performance, and the performance of each Director, in order to conclude that it has an appropriate balance of skills and that the composition of the Board remains appropriate. The key assessments made in relation to the effectiveness of the Directors are: • Their contributions are relevant and effective • Their skills remain current and relevant for their role on the Board • They are committed and able to devote a suitable amount of time to undertaking their duties as a Director • If their role is as an independent Director, that they remain independent Given that the current Board was only established in August 2017, the composition has not been changed during the year. However, the Board has a process in place for succession planning and changes in the composition of the Board will be undertaken when required. All senior nominations, including nominations to the Board of Directors, require approval by the Nominations Committee. The Company's Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation and that any new Director appointed during the year must stand for election at the AGM immediately following their appointment. Mark Bartlett retired by rotation at the 2018 AGM and was duly re-elected.	Further details on corporate governance are provided on pages 38 to 40 of the 2018 Annual Report and Accounts.

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(8) Promote a corporate culture that is based on ethical values and behaviours	The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company. The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company. The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the company.	Strix has a responsibility towards its employees and partners. The Group is proud to provide opportunities for the next generation and is passionate about supporting social causes, both on the Isle of Man and beyond. The Group has a defined policy in place for anti-slavery and anti-human trafficking, which is reviewed at least annually. Strix respects the dignity, rights and aspirations of all people, and is committed to supporting and promoting international and local laws which prohibit modern-day slavery and human trafficking. Strix has zero tolerance of violations of this policy, which applies equally to all of our directors, officers, employees, apprentices, volunteers, agents, consultants and other representatives. Strix also has in place policies for anticorruption and anti-bribery, in order to detect and prevent any instances of corruption or fraud. This includes a whistleblowing facility to report any suspected instances of corruption or bribery to one of the Directors.	Further details on corporate social responsibility, including ethical conduct, is provided on pages 34 to 35 of the 2018 Annual Report and Accounts.
(9) Maintain governance structures and processes that are fit for purpose and support good decision-making by the board	The company should maintain governance structures and processes in line with its corporate culture and appropriate to its: • size and complexity; and • capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the company.	The Board normally meets on a monthly basis and not fewer than 10 times a year, supplemented by additional meetings as and when required. The Board discusses strategy, performance and internal controls based on a formal agenda, which is circulated in advance of each meeting. The Board is also responsible for the approval of RNS announcements and the annual and interim results. The following matters are reserved for consideration and approval by the Board: • Strategy and management • Structure and capital • Financial reporting and controls • Internal controls • Contracts • Communication • Board membership and other appointments • Remuneration • Delegation of authority	

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		• Corporate governance matters • Policies Any Director is free to challenge any proposals put to a Board meeting, and decisions are made democratically, after discussion. Senior members of staff attend certain Board meetings by invitation to discuss matters in relation to their specific areas of expertise. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The CEO is responsible for proposing the strategic direction to the Board, implementing it once approved, and managing the performance of the Group through the management team. The Board is supported by the Audit, Remuneration and Nomination Committees in discharging its responsibilities. The Board also has access to an Executive Assistant to help the Directors fulfil their duties. Each of the Committees has access to such resources, information and advice as it deems necessary, at the cost of the Group, to enable the Committee to discharge its duties. The Board believe this structure is appropriate for the current size of the Group and the nature of its business, but this is assessed at least annually as part of the review of the Board's performance. The size and composition of the Board, plus the governance structures and processes which support it, may change in response to a change in the nature and/or composition of the Group.	

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(10) Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	A healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist: • the communication of shareholders' views to the board; and • the shareholders' understanding of the unique circumstances and constraints faced by the company. It should be clear where these communication practices are described (annual report or website).	Strix communicates principally with its shareholders through: • the Annual Report and Accounts • half-year announcements • the London Stock Exchange's Regulatory News Service ('RNS') • the Annual General Meeting ('AGM') • one-to-one meetings with large existing or potential new shareholders The Board receives regular updates on the views of shareholders through briefings and reports from the CEO, CFO and the Group's joint brokers. The Group communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views. Site visits are hosted with key analysts in order to demonstrate the work being undertaken by the Group to execute its strategy. The Group completes an annual employee engagement survey and has created an "Employee Engagement Forum", staffed by a diverse mix of staff within the business, to act as the focal point between the management team and the employees. This open dialogue continues to result in positive changes being introduced. The outcome of the Employee Engagement Survey is a KPI on which all of the management team's performance is assessed.	A range of corporate information (including all Group announcements, presentations and Annual Report and Accounts documents) is available to shareholders, investors and the public on this site, www.strixplc.com, which is the Group's corporate website.