SHOOSMITHS

LIGHT SCIENCE TECHNOLOGIES HOLDINGS PLC

CORPORATE GOVERNANCE STATEMENT

Shoosmiths is a trading name of Shoosmiths LLP, a limited liability partnership registered in England and Wales (registered number OC 374987). Shoosmiths LLP is authorised and regulated by the Solicitors Regulation Authority (SRA ID 569065). We use the word partner to refer to a member of Shoosmiths LLP, or an employee or consultant who is a lawyer with equivalent standing and qualifications or a non lawyer who has met the firm's stringent promotion criteria. A list of members' names together with a list of non members who are designated as partners, is available for inspection at our registered office at 100 Avebury Boulevard, Milton Keynes. MK9 1FH.

BSI UKAS QUALITY MANAGEMENT 003
Certificate No. FS 31466

Board Committees

The Board has established an audit and risk committee, a remuneration committee and a nominations committee with formally delegated duties and responsibilities, as described below.

Audit and risk committee: The audit and risk committee comprises Richard Mills and Graham Cooley, and is chaired by Richard Mills.

The audit and risk committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, monitoring the need for and if necessary the effectiveness of the internal audit function and overseeing the relationship with the external auditors including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings. The audit committee meets at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee meets regularly with the Company's external auditors.

Remuneration committee: The remuneration committee is comprised of Richard Mills and Graham Cooley, and is chaired by Richard Mills.

The remuneration committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Chief Executive Officer, the other executive Directors and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of non-executive Directors is a matter for the executive members of the Board. No Director is involved in any decision as to his or her own remuneration. The remuneration committee meets at least twice a year and otherwise as required.

Nominations committee: The nominations committee is comprised of Graham Cooley, Richard Mills and Simon Deacon, and is chaired by Graham Cooley.

The nominations committee is responsible for reviewing the structure, size and composition of the Board and identifying and nominating, for the approval of Board, candidates to fill vacancies on the Board as and when they arise. The nominations committee meets at least twice a year and otherwise as required.

Chairman's Statement

The Board is committed to the principles of good corporate governance and believes that an effective corporate governance framework is essential to underpin the success of the Group's business. The Board is committed to achieving the highest standards of integrity, ethics, professionalism and business practice throughout the Group's operations. Therefore, the Company has adopted the Quoted Companies Alliance Corporate Governance Code (the "**QCA Code**"), in line with the AIM Rules for Companies, which requires all AIM-quoted companies to adopt a recognised corporate governance code and to explain how the company complies with and where it departs from the chosen code.

Listed below are the QCA Code principles and a description of how the Company complies with them.

Graham Cooley (Chairman) – 6th March 2024

Compliance with the QCA Code

Principle 1: Establish a strategy and business model promoting long-term value for shareholders

The Board is responsible to shareholders for setting the Group's strategy by maintaining the policy and decision-making process around which the strategy is implemented; ensuring that necessary financial and human resources are in place to meet strategic aims; monitoring performance against key financial and non-financial indicators; providing leadership whilst maintaining the controls for managing risk; overseeing the system of risk management; and setting values and standards in corporate governance matters.

The Company's strategy is to develop and grow both the Light Science Technologies and UK Circuits business divisions through a combination of initiatives. In particular, the Directors have identified the following strategic goals:

i) To develop innovative CEA (controlled environment agriculture) products and solutions that are sustainable, efficiency saving, cost efficient and energy saving;

ii) To generate new business opportunities in the CEA sector through seeking and developing global long-term partnerships, to extend the reach for the Company's products and solutions;

iii) To continue to deliver and grow strong diversified revenue and profits through its UK Circuits division; and

iv) To invest in plant and machinery with a view to enhancing automation and quality at UK Circuits division's factory, in order to extend its services to additional markets, such as medical and defence, as well as implementing appropriate additional quality-related accreditations

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board endeavours to engage in clear and consistent dialogue with both existing and potential Shareholders to understand their needs and expectations, and to ensure that the Company's strategy, business model and progress are clearly understood. The Board also maintains regular contact with its advisors in order to ensure that the Board develops an understanding of the views of the investor community about the Company.

The Board will communicate with Shareholders through:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- trading updates (where required or appropriate);
- the Company's annual general meetings; and
- the investor relations section of the Company's website (in particular, the "RNS News" and "AIM Rule 26" pages).

Unpublished price sensitive information will be disclosed in as timely a manner as possible and within regulatory requirements for disclosure via Regulatory News Services through the stock exchange.

The Board views the Company's annual general meeting as an important forum for communication between the Company and its Shareholders and encourages Shareholders to express their views on the Company's business activities and performance. The Board intends to engage with Shareholders who do not vote in favour of resolutions at annual general meetings to understand their motivation.

At other times, the Chief Financial Officer will be the primary contact for Shareholders and there is a dedicated e-mail address for Shareholder questions and comments shareholders@lightsciencetech.com. Regular meetings will be held between the Chief

Executive Officer, Chief Financial Officer and institutional investors and analysts to ensure that the Company's strategy, financials and business developments are communicated effectively.

Principle 3: Take in to account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises the importance of corporate social responsibility, and seeks to take account of the interests and feedback from all the Company's stakeholders, including its investors, customers, suppliers, partners and employees when operating the Group's business.

The Board believes that fostering an environment in which employees act in an ethical and socially responsible fashion is critical to the Gr**oup's** long-term success.

The Company will seek to ensure continued engagement with the Group's employees, clients, suppliers, shareholders and the wider public via:

- having processes in place designed to ensure regular dialogue between employees and senior management; and
- technological means, using the functionality of social media platforms and software to gain insights and feedback from its clients, suppliers, partners and the public.

Principle 4: Embed effective risk management, considering both opportunities and threats throughout the organisation

The Company recognises that risk is inherent in all of its business activities and is an important part of the Board's formulation of strategy. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. The Board is assisted in this matter by the audit and risk committee.

The Board, supported by the audit and risk committee, routinely monitors risks that could materially and adversely affect the Company's ability to achieve its strategic goals, financial condition and results of operations. The effectiveness and adequacy of mitigating controls are assessed and if additional controls are required, these will be identified and responsibilities assigned. The Board (including the audit and risk committee) are supported by senior management personnel, who collectively play a key role in risk management and regularly report to the Board.

Each year, the Company's annual report and accounts will contain a section setting out what the Board considers to be the main risks faced by the Group.

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

Board comprises five Directors, of whom Simon Deacon, Jim Snooks and Andrew Hempsall are executive Directors and Graham Cooley and Richard Mills are non-executive Directors. Richard Mills is considered by the Board to be an independent Director. The Board structure and balance of non-executive Directors to executive Directors and the number of independent non-executive Directors is considered adequate for the stage of development of the Company. The composition and size of the Board will be kept under review as the Company's business develops further to ensure the number of independent non-executive Directors is proportionate to the complexity of the Company, its business and the risks the Company faces. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties. The Board is responsible for the management of the Company's business (including formulating, reviewing and approving the Company's strategy, financial activities and operating performance), for which purpose the Directors may exercise all the powers of the Company. The Directors may delegate such powers to any person or committee as they think fit and those powers may be sub-delegated with the authority of the Directors. The Directors may revoke any delegation of powers.

The Board has established audit and risk, remuneration and nominations committees with formally delegated duties and responsibilities. Both the audit and risk committee and the remuneration committee are currently comprised entirely of non-executive directors.

Principle 6: Ensure that between them directors have the necessary up-to-date experience, skills and capabilities

The Directors come from a range of backgrounds and have a wide variety of experience which results in the Board as a whole being well balanced and has the skills and other attributes necessary to deliver the Company's strategy. Brief details of the Directors' backgrounds and experience can be found here - https://lightsciencetechnologiesholdings.com/who-we-are/.

The nominations committee is responsible for continuing to evaluate the balance of skills, knowledge and experience and the size, structure and composition of the Board and its committees, retirements and appointments of additional and replacement Directors and committee members and making appropriate recommendations to the Board on such matters.

The Company Secretary will provide Directors with updates on key developments relating to the Company, the sectors in which the Group operates, and legal and governance matters (including advice from the Company's broker, lawyers and advisors). The Company

Secretary will also support the Chairman and the nominations committee in identifying and addressing the training and development needs of Directors.

Principle 7: Evaluate board performance based on clear and relevant objectives seeking continuous improvement

The Company's process for evaluating the performance of the Board, its committees and individual Directors, will primarily be undertaken by the nominations committee. The nominations Committee will regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations and review the results of any Board performance evaluation process that relate to the composition of the Board.

The nominations committee shall, over the course of time, also make recommendations to the Board concerning plans for succession for both executive and non-executive Directors and any matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of an Executive Director as an employee of the Company (subject to the provisions of the law and their service contract).

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

The Company is committed to ensuring that the Group operates according to the highest ethical standards and the Board has primary responsibility for achieving this. The Directors believe that the main determinant of whether a business behaves ethically and with integrity is the quality of its people and the Board, together with the Group's HR function, takes great care to ensure that all individuals employed by the Group demonstrate the required high levels of integrity. The Group has also adopted formal policies addressing, *inter alia*, anti-bribery and corruption, the use of social media and dealing in the Company's shares.

Each year, the Company's annual report and accounts will contain reference to the Company's Corporate and Social Responsibilities which will address our employees, values, the environment and wider stakeholders.

Principle 9: Maintain governance structure and processes that are fit for purpose and support good decision-making by the board

The Board is responsible for the long-term success of the Company and provides leadership to the Company within a framework of effective controls, checks and balances. There is a clear separation of the roles of Chairman and Chief Executive Officer. The Chairman is responsible for the running of the Board and has ultimate responsibility for corporate governance matters. The Chief Executive Officer (supported by the senior management team) is ultimately responsible for the day to day running of the business and implementing the Board's strategy and decisions. Key decisions (including those considered to directly

relate to implementation of the Company's strategy) are reserved for the Board. The full list of matters reserved for the Board can be found here - www.lightsciencetechnologiesholdings.com/investors.

The Board has established an audit and risk committee, a remuneration committee and a nominations committee. Relevant matters are considered by each committee and recommendations are taken to the full Board. Each committee meets at least twice per year (three times a year in the case of the Audit and Risk Committee) and otherwise as required. The role of each committee established by the Board is summarised above.

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

The Board recognises that it is accountable to Shareholders for the performance and activities of the Company and to this end is committed to maintaining good communication and having constructive dialogue with its Shareholders.

The Board communicates with Shareholders in a number of ways, including via:

- the Company's annual report and accounts;
- the Company's interim and full-year results announcements;
- trading updates (where required or appropriate);
- the Company's annual general meetings; and
- the investor relations section of the Company's website (in particular, the "RNS News" and "AIM Rule 26" pages).

The Board considers the Company's annual general meeting to be an important forum for communication between the Company and its Shareholders and encourages Shareholders to express their views on the Company's business activities and performance.

A range of corporate information, including annual reports, notices of general meetings and other regulatory announcements, is available to Shareholders, investors and the public in general through the Company's website and can be accessed here: www.lightsciencetechnologiesholdings.com/investors.