

QCA Corporate governance guidelines – Index / Statement of Compliance

Principle	Delivery	Location
<p>1. Establish a strategy and business model which promotes long-term value for shareholders.</p>	<p>Shield operates a lean, semi-virtual operation with the fundamental value in its business being its intellectual property. Shield’s experienced management team uses a variety of external advisors to translate the IP into products which can be sold to realise value for investors.</p>	<p>See Business Model, Strategic Goals and Corporate Governance Report within the annual report and the Corporate Governance section of this website.</p>
<p>2. Seek to understand and meet shareholder needs and expectations.</p>	<p>The Executive and Non-Executive Directors proactively engage with key stakeholders and analysts during the course of the year including the provision of investor briefing calls and meeting opportunities following the release of annual and interim results. The Board as a whole is kept informed of the views and concerns of major shareholders by the Chief Executive Officer.</p>	<p>See Engagement with stakeholders within the annual report and the Corporate Governance and Events section of this website.</p>

<p>3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.</p>	<p>The Board recognises the importance of social, environmental and ethical matters and it endeavours to take into account the interests of Shield’s wider stakeholders, including its investors, employees, suppliers and regulatory authorities involved in Shield’s business activities.</p> <p>Shield’s Human Resources team encourages open dialogue with employees and is accessible to all employees to raise any issues. Employees are subject to annual performance reviews to ensure objectives are met in line with Shield’s overall objectives.</p> <p>Shield ensures that its supply chain’s practices are ethical, complies with regulations that suppliers have responsibility for those practices to the wider environment in which it operates by conducting due diligence before entering into any contractual arrangements. Shield regularly meets with its supply chain.</p>	<p>See Engagement with stakeholders within the annual report and the Investors section of this website.</p>
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<p>4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.</p>	<p>The Board ensures that all of the key risks are understood and appropriately managed in light of Shield’s strategy and objectives by way of a risk management framework and its Audit Committee which has oversight of the overall risk management framework and conducts regular risk reviews.</p>	<p>See Principal Risks and Uncertainties and Risk Management and Audit and Risk Report within the annual report.</p>
<p>5. Maintain the board as a well-functioning balanced team led by the chair.</p>	<p>The Board comprises the Non-Executive Chairman, two independent Non-Executive Directors and the Chief Executive Officer and Company Secretary. At the time of his appointment, the Chairman was independent. There is a clear division of responsibilities between the roles of Chairman and Chief Executive Officer.</p> <p>Shield has a Nomination, Audit and Remuneration Committee each with written terms of references clearly setting out the respective authorities and duties.</p>	<p>See Corporate Governance Report and Board of Directors within the annual report and this website.</p>
<p>6. Ensure that between them the directors have the necessary up-</p>	<p>Recommendations to the Board are made by Shield’s Nomination Committee which gives consideration to director’s skills and</p>	<p>See Board of Directors section of this website.</p>

<p>to-date experience, skills and capabilities.</p>	<p>experience in comparison to the requirements of the roles prior to their recommendation. New directors receive training from the nominated adviser prior to appointment and a formal induction following their appointment. The Directors are subject to annual re-election and are re-elected at the first Annual General Meeting following their appointment. Resolutions are sent to shareholders proposing their re-election with explanation from the Board of their suitability for the post.</p>	
<p>7. Evaluate board performance based on clear and relevant objectives seeking continuous improvement.</p>	<p>Progress is assessed against Shield’s key objectives and areas of focus including the adequacy and appropriateness of its composition, that of its Committees and the management team as well as its terms of reference. Appraisals are carried out annually with all Directors. The Non-Executive Directors meet without the Executive Directors present on an ad hoc basis during the course of the year to consider the performance of the Executive Directors. The performance of</p>	<p>See Corporate Governance Report within the annual report and the Corporate Governance section on this website.</p>

	Non-Executive Directors is considered by the remaining Non-Executive Directors.	
8. Promote a corporate culture that is based on ethical values and behaviours.	The Board is responsible for promoting Shield’s values which are enshrined in its internal written policies and procures adopted by all employees of Shield. Shield recognises the importance of engaging, developing and retaining talented people and creating a working culture founded on its core values.	See Our Strategy and Values section on this website.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board.	The Board is responsible for ensuring the maintenance of a sound system of internal control and risk management, reviewing the overall effectiveness of controls and systems in place, the approval of the budget and the approval of any changes to the capital, corporate and / or management structure of Shield. The Board delegates authority as appropriate to its Committees and members of Shield’s management.	See Corporate Governance Report within the annual report and the Corporate Governance section on this website.

<p>10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.</p>	<p>The Board recognises the importance of regular communications with its various stakeholder groups and aims to ensure that all communications concerning Shield’s business activities are clear, fair and accurate. Shield’s website is regularly updated and all corporate documents including previous annual reports can be found on Shield’s website.</p> <p>The Board is kept informed of the views and concerns of major shareholders by the Chief Executive Officer.</p>	<p>See Corporate Governance Report within the annual report and the Corporate Governance section on this website.</p>
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