

CORPORATE GOVERNANCE STATEMENT

Updated 19 September 2020

From 28 September 2018 as an AIM company, the Company has been required to maintain on its website details of a recognised corporate governance code, how the Company complies with this code and an explanation of any departure from the code. The information needs to be reviewed annually and the website should include the date on which the information was last reviewed. This review has been undertaken during the process of preparing the Annual Report and Financial Statements. The Directors set out below RMS's Corporate Governance Report.

The Directors recognise the importance of sound corporate governance. As a company whose shares are traded on AIM, the Board seeks to comply with the Quoted Companies Alliance Corporate Governance Code ("the QCA Code"). In addition, the Directors have adopted a code of conduct for dealings in the shares of the Company by directors and employees, a social media policy, and are committed to maintaining the highest standards of corporate governance. Paul Ryan, in his capacity as Non-Executive Chairman, has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are followed and applied within the Company as a whole. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company successfully to achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

There were no key governance related matters that occurred during the financial year ended 31 December 2019.

Corporate Governance Report

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

Principle One

Business Model and Strategy

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of a single strategy for the Company. The Company's interests in GyroMetric and Cloudveil are active and strategic investments and these are both companies where the Company continues to hold significant stakes, where we remain actively involved with the development of the company with the Company being represented on the board of the entities and where we believe that the returns that are possible are material. The Company will continue to seek to grow both businesses organically and will seek out further complementary acquisitions that create enhanced value.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting whenever possible. Investors also have access to current information on the Company through its website, www.remotemonitoredsystems.com, and via Trevor Brown, CEO who is available to answer investor relations enquiries.



Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, all employees of the Company participate in a structured Company-wide annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two-way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

Principle Four

Risk Management

In addition to its other roles and responsibilities, the Audit and Compliance Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit and Compliance Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

Activity	Risk	Impact	Controls
Management	Recruitment and retention of key staff	Reduction in operating capability	Stimulating and safe working environment Balancing salary with longer term incentive plans
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Company
Strategic	Damage to reputation	Inability to secure new capital or clients	Effective communications with shareholders coupled with consistent messaging to our customers Robust compliance
	Inadequate disaster recovery procedures	Loss of key operational and financial data	Secure off-site storage of data
Financial	Liquidity, market and credit risk	Inability to continue as going concern Reduction in asset values	Robust capital management policies and procedures
	Inappropriate controls and accounting policies	Incorrect reporting of assets	Appropriate authority and investment levels as set by Treasury and Investment Policies Audit and Compliance Committee



The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function.

Principle Five

A Well Functioning Board of Directors

As at the date hereof the Board comprised, the CEO Trevor Brown, the COO John Richardson and one Non-Executive Chairman, Paul Ryan. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election at intervals of no more than three years. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours. All the Directors including the Non-Executive Director are considered to be part time but are expected to provide as much time to the Company as is required.

The Board meets at least eight times per annum. It has established an Audit and Compliance Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee. The Board considers that this is appropriate given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. Currently the Company has one independent non-executive, Paul Ryan, and is seeking a second non-executive Director.

The Directors are of a view that the Company does not currently require a separate CFO to be appointed to the board due to the current scale of operations and financial experience of the directors. In particular the Company's Chief Operations Officer, John Richardson, heads up the Group finance function and has experience managing the finances of both GyroMetric Systems Limited, in which the Company owns a 58% interest and Geocurve, where the business and assets were disposed of in early 2020. As the Company grows and develops the board will periodically review its corporate governance framework to ensure it remains appropriate for the size, complexity and risk profile of the Company.

Attendance at Board and Committee Meetings

The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. To date in the current financial year the Directors have a 100% record of attendance at such meetings. In order to be efficient, the Directors meet formally and informally both in person and by telephone. During the year there were 8 Board meetings, with all directors being present at all meetings. The volume and frequency of such meetings is expected to continue at a similar rate. The Audit and Compliance Committee met three times and the Remuneration Committee, met twice, in each case with all members present.

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of three Directors and, in addition, the Company has contracted the outsourced services of MSP Secretaries Limited to act as the Company Secretary. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets. As demonstrated below in the descriptions of each Director, the Board has the necessary commercial, financial and legal skills required for the effective leadership of the Group.

The Board recognises that it currently has a limited diversity, and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

Each Director undertakes a mixture of formal and informal continuing professional development as necessary to ensure that their skills remain current and relevant to the needs of the Group.



Trevor E Brown MBA

Chief Executive Officer

Trevor has acted as a CEO, executive director and non-executive director for a wide range of companies in a range of sectors over 50 years. This has provided him with a vast amount of experience through the many long term economic and corporate life cycles that mean he is highly qualified to assess the opportunities and risks for both the Company and its portfolio of investee companies. This wide-ranging experience is kept up to date through his continued participation in a variety of businesses where the Company has a holding and in other companies that are unconnected to the Company. Trevor is also currently Chief Executive Officer of IQAI plc and Braveheart Investment Group plc. Trevor joined the Board as an Executive Director in December 2017.

John Richardson

Chief Operations Officer

John has many years' experience of managing organisations implementing systems for the public sector and private enterprises.

John has had many roles at Siemens in the UK and its predecessors, he was head of Operations at Nexor before moving to Gyrometric Systems and joining the Company board,

John is a Chartered Engineer. He has a B.Sc. (Hons) in Electrical and Electronic Engineering from Manchester University.

Mr Paul Ryan

Independent Non-Executive Chairman

Mr Ryan has over 20 years' experience at board level in both public and private companies. From 2002 to 2013, he held a variety of board positions with leading mobile operator Vodafone and its operating subsidiaries, including Head of Strategy, Regulatory and Political Affairs in Brussels and Director of Strategy and External Affairs for Vodafone Ireland and for Vodafone Ghana. Prior to this, he worked as a management consultant in the European telecoms sector, served as a strategic adviser at Ofcom, the UK's communications industry regulator, and was a solicitor at leading international City law firm Ashurst. Mr Ryan has acted as an adviser, primarily on strategy, regulation and public policy, to a range of clients including FTSE100 and Fortune 500. Mr Ryan has an LLB from Trinity College, Dublin, Ireland and is a practising solicitor in the UK.

Mr. Ryan is considered to be an independent director of the Company, notwithstanding his significant shareholding in the Company. In coming to this conclusion, the board has taken a number of matters into consideration including:

- the relative materiality of his shareholding;
- the absence of previous employment or material business relationships with the Company;
- service length with the Company; and
- the absence of close family ties with any of the company's advisers, directors or senior employees

Principle Seven

Evaluation of Board Performance

The Board has undertaken an internal review of the Board, the Committees and individual Directors, in the form of peer appraisal and discussions, to determine their effectiveness and performance as well as the Directors' continued independence.



The evaluation concluded that the Board demonstrates the appropriate level of skills, knowledge and performance for the size and nature of the Group. The Directors will continue to review the need to strengthen the Board as the Group develops.

Principle Eight

Corporate Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. There is frequent dialogue between the Directors and senior management each division. The Board monitors the corporate culture through a mix of formal and informal feedback, based on which the Board is confident that a healthy culture consistent with the principles adopted exists.

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Chief Executive Officer arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Audit and Compliance Committee

The Audit and Compliance Committee comprises Paul Ryan and John Richardson, and Paul Ryan chairs this committee. This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit and Compliance Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee

The Remuneration Committee comprises Paul Ryan and John Richardson, and Paul Ryan chairs this committee. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Non-Executive Directors



The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and non-executive directors insofar as both the Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion believing it to be in the best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a Non-Executive Director before commencing a first term as Chairman.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company responds to all shareholders who contact the Directors, and as a result has positive ongoing relationships with a wide range of shareholders. All shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. The Company also provides shareholder updates whenever appropriate using both regulatory and other channels including video interviews on Proactive Investors. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting where possible.

Investors also have access to current information on the Company through its website, www.remotemonitoredsystems.com, and via Trevor Brown, CEO, who is available to answer investor relations enquiries.

The Company agreed in 2018 to move to electronic communications with shareholders in order to maximise efficiency. Paper communications will be maintained for the small number of shareholders who have specifically requested this.

The Company includes, when relevant, in its annual report, any matters of note arising from the audit or remuneration committees.

A handwritten signature in black ink, appearing to read 'P Ryan', written over a horizontal line.

Paul Ryan

Non-Executive Chairman

19 September 2020

Mr Paul Ryan