

Corporate Governance Statement

Dyson Technology Limited and Dyson Limited are subsidiaries of Dyson Holdings Pte. Ltd. (the “Company”). The Company and its subsidiaries (collectively referred to as to “Dyson” or “Group”) are a global group of technology companies committed to maintaining a high standard of corporate governance.

For the year ended 31 December 2019, the Dyson Group has followed the Wates Corporate Governance Principles for Large Private Companies as an appropriate framework for the Group’s corporate governance practices. Below is an explanation of how the Group has operated in accordance with the principles.

Principle 1: Purpose and Leadership

(An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.)

Dyson is a family-owned business that was founded in 1978 by Sir James Dyson. Dyson solves problems others ignore through science and engineering. Dyson vision is to develop core technologies (such as motors, batteries, robotics, etc.) which enable it to develop better performing products.

There are three core values at Dyson:

- Different – Ingenious thinking, challenging convention, seizing opportunities
- Authentic – Respecting others, working collaboratively, upholding integrity
- Better – Embracing sustainability, making decisions, constantly improving, being first

Today Dyson is a global technology company with engineering, research, development and testing operations in the UK, US, China, Malaysia, Singapore, and the Philippines. Dyson has 10,551 patents and patents pending globally. It designs and manufactures household and commercial technologies and products such as vacuum cleaners, air purifiers, hand dryers, bladeless fans, heaters, hair dryers and lights. Dyson directly employs 16,000 people globally including 6,000 engineers and scientists. Drawing on its global research and development network, Dyson is realising ambitious plans to develop new technologies with global teams focused solid-state battery cells, high-speed electric motors, vision systems, machine learning technologies, and Artificial Intelligence Investment.

Dyson operates globally and its success and continued growth depends on four shared principles that guide its work: Transparency, Loyalty, Fairness, and Independence. Dyson’s internal Code of Conduct called “The Code: ThinkDo” explains how Dyson put these principles into practice. By upholding the Code, each stakeholder helps Dyson to continue to create better technology and to protect the ideas and the people behind them. Dyson wants everyone in the business to be empowered to make good decisions, so we have created the Code to support our work and guide us on how to conduct our business, always acting with integrity.

Dyson’s annual Blueprint was formalised at the beginning of 2020 under the Board of Directors’ direction to guide the organisation’s strategy for the next year (and beyond) – laying out priorities, direction and targets for all Dyson people to understand. It enables teams to set priorities and make the right choices based on Dyson’s overall goals. The Blueprint is available to all Dyson people and is shared at the beginning of each year following an annual update. Many groups and teams create a specific

and focused local Blueprint based on the global one. It provides metrics and indicators to benchmark success so all Dyson people understand what we are aiming for and can measure progress effectively.

The Dyson family, our ultimate shareholder, actively engages with the business, ensuring stewardship of what the Company believes is a responsible family enterprise. Three family members sit on the Group Board of Directors and maintain a visible presence in the Group, promoting a long-term ethos, inclusion, diversity, engagement, and an ever-increasing focus on social and environmental sustainability.

Principle 2: Board Composition

(Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.)

The Dyson Group and its Group Board of Directors (“the Board”) are committed to conducting business in an ethical, fair and transparent manner and in accordance with high standards of corporate governance among all of our businesses, our employees and our supply chain. The Board, together with the management team, leads by example. The Board is committed to fostering a culture of compliance that values personal and corporate integrity, accountability and continuous improvement.

There is a clear division of responsibilities between the shareholder, the Senior Non-Executive Director (who also chairs board meetings) and the Chief Executive Officer (“CEO”). This ensures that a balance of responsibilities, accountabilities and decision making across the Group is maintained. The Senior Non-Executive Director plays a pivotal role in creating the conditions for overall Board and individual director contributions and effectiveness.

The Group Board comprises a Senior Independent Non-Executive Director, CEO, Chief Financial Officer (“CFO”), Chief Operating Officer (“COO”), one other independent non-executive director (“Independent NED”) and three family members, including the founder of the business, Sir James Dyson. This size and composition is appropriate as it facilitates effective decision making of our large, international business.

The Company is committed to ensuring that the composition of the Board continues to comprise directors who, as a whole, possess the diversity of skills and experience required to fulfil the role and responsibilities of the Board. The Independent NEDs constructively challenge and help develop strategy and review business performance (including the performance of senior management) against the agreed goals and objectives. Independent NEDs bring core competencies such as accounting, finance, business and management experience, industry knowledge, strategic planning experience, in addition to perspectives from outside the sectors in which the Group operates.

All Directors have equal voting rights when making decisions, except the Chairman of a meeting who has a casting vote. All directors have access to the Company Secretary (who is also the Chief Legal Officer (“CLO”)) and to senior management at all times. The directors have the right to seek independent professional advice as and when necessary to enable them to discharge their duties effectively.

The duties of the Board are executed partially through Board committees. The Independent NEDs attend and act as chairs to relevant committees so that they are able to challenge and influence a broad range of areas across the Group.

The Executive Council (“EC”) is the group of senior leaders who implement the Group’s strategy and ensure that values and culture are implemented and communicated consistently to the employees – for example through regular Café Briefings.

Directors update their skills, knowledge and familiarity with the Group by meeting with senior management, attending Strategy Day session and visits to Dyson offices. An induction program for all new Directors is in place which is tailored to their specific experience and knowledge.

Principle 3: Director Responsibilities

(The board and individual directors should have a clear understanding of their accountability and responsibilities. The board’s policies and procedures should support effective decision-making and independent challenge.)

The Board is responsible for organizing and directing the affairs of the Company in a manner that is most likely to promote the success of the Company for the benefit of its shareholder and in a way which is consistent with its constitution, applicable regulatory requirements and current corporate governance practice. The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholder and other stakeholders by reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, and corporate governance practices.

The Directors and other members of the wider leadership team complete the annual Code of Conduct declaration confirming that they have behaved in accordance with the Group’s values. As part of this process, all individuals must declare any potential conflict of interests.

Committees

The Board delegates authority for the day-to-day management of the Company to the EC which meets weekly and is chaired by the CEO and whose membership includes the CFO, COO, CLO and leaders of business categories and functions.

The Independent NEDs are wholly independent in that they have no material business or relationships with Dyson that might influence their independent judgement. In addition, certain governance responsibilities are delegated to other Board committees (Audit, Remuneration and Treasury). These committees include Independent NEDs, together with the Dyson family, who support effective decision-making and to challenge constructively management’s decisions.

The respective terms of reference of the Board and the Committees give clear guidelines on matters which require the Board’s or Committees’ approval, as well as matters for which the Board or Committees must be informed on a regular basis.

Integrity of Information

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive monthly financial and business reports from

management. Such reports keep the Board members informed of the Company's and the Group's performance, position and prospects and consist of the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax profit by operating segments compared against budgets, together with explanations for significant variances for the month and year-to-date. In addition, key financial information is collated from the Group's various accounting systems. The Group's finance function is appropriately qualified to ensure the integrity of this information and is provided with the necessary training to keep up to date with regulatory changes. Financial information is currently externally audited by Ernst & Young LLP on an annual basis, and financial controls are reviewed by the Group's internal audit function. The Board also reviews legislation and regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

Principle 4: Opportunity and Risk

(A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.)

Opportunity

Long-term strategic opportunities are highlighted in the annual Group Strategy process which is presented to the Board every year. The Board seeks out opportunities drawn from the business, the family enterprise strategy and the committees to which it delegates. Short-term opportunities to improve performance, resilience and liquidity are collated through the business unit review process, which is overseen by the EC.

Risk management

The Board, with the assistance from the Executive Risk Committee ("RC"), is responsible for overseeing how risk is managed and stakeholders are accountable.

The RC comprises the EC (equivalent to an operational board) and meets at least twice a year to formally review each of the Group's principal risks and consider any emerging risks, including those identified within various functions of the Group and escalated to the RC. Each of the principal risks as defined are owned by individual EC members and each prepares a dashboard which summarises the Group's exposure, what is in place to manage the risk and planned further measures for each meeting. A twice-yearly report is provided to the Board reporting on changes to the Group's risk profile, following this review.

The Audit Committee is responsible for reviewing the Company's internal financial controls and internal control and risk management systems. It reports to the Board on the statements to be included in the annual report concerning internal control and risk management. The EC and each market CEO are responsible for the application of the internal control and risk management, for implementing and monitoring the operation of the system of internal control and for providing assurance to the Audit Committee and the Board. The AC has clearly defined terms of reference, which are reviewed annually and available from the Company Secretary.

Internal Audit

The Group has an in-house internal audit function, whose primary role is to provide assurance to the Board and Audit Committee about the effectiveness of internal controls, risk management and governance processes. The Director of Internal Audit and Risk reports directly to the Chair of the Audit Committee and is therefore independent of Group management. The scope of authority and

responsibility of the internal audit function is defined in the Internal Audit Charter, which is approved by the Audit Committee. The Audit Committee also ensures that the internal audit function has adequate resources to perform its functions effectively.

The annual internal audit plan is created following a risk assessment of the business; consultation with management; and is reviewed and approved by the Audit Committee. Progress against this plan; a summary of findings from reviews completed in the period; and status of completion of agreed actions arising from such reviews, is presented and discussed at the Audit Committee each quarter. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditors in the course of the statutory audit.

Whistle blowing (“Speak Up”)

The Audit Committee also reviews the adequacy of the “Speak Up” arrangements instituted by the Group through which staff and external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Dyson is committed to ensuring that people can raise “Speak Up” concerns without the fear of retaliation and with the confidence their concerns will be fairly investigated. One of the ways we do this is by ensuring the complete independence of all of the investigations of “Speak Up” concerns raised. The Legal Compliance and Ethics team undertakes the investigation of “Speak Up” concerns on behalf of the Audit Committee of the Dyson Group Board. The Audit Committee is responsible for ensuring that Dyson has an effective “Speak Up” process and that all concerns are independently and thoroughly investigated. This means that the Legal Compliance and Ethics team is able to carry out its investigations objectively and independent of Executive management.

Principle 5: Remuneration Matters

(A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.)

The Remuneration Committee’s (“Remco”) primary responsibility is to ensure a formal and transparent procedure for developing policies on executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. The Company is an active equal opportunities employer and promotes an environment free from discrimination, harassment and victimisation, where everyone receive equal treatment and career development. All decisions relating to employment practices are objective, free from bias and based solely upon work criteria and individual merit.

The Remco has clearly defined terms of reference and is responsible for making recommendations to the Board concerning the Group’s remuneration strategy, recruitment framework and long-term incentive plans for senior executives. In doing so, the Remco may take advice from independent external consultants who provide updates on legislative requirements, best market practice and remuneration benchmarking, drawing on evidence from across the sectors in which the Company operates and from other sectors. Pay is aligned with performance and taking in to account fair pay and conditions across the Company’s workforce.

Executive directors do not receive directors' fees.

Principle 6: Stakeholders Relationship and Engagement

(Directors should foster effective stakeholder relationships aligned to the board's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.)

As a global technology enterprise, Dyson recognises that its actions have far-reaching consequences. We rise to the challenge of making a positive difference – by lessening our impact on the environment, improving conditions for workers, and inspiring the design engineers of tomorrow.

External impacts

The Board is committed to social responsibility, community engagement and environmental sustainability. It achieves this in part through its commitment to: a culture of ensuring the safety, health and wellbeing of everyone who works with us; being an employer of choice where everyone is valued and respected; and seeking new ways to ensure sustainability. Please [click here](#) for more details of our corporate social responsibility commitment.

Stakeholders

The Board promotes accountability and transparency with all external stakeholders and with representatives of government and other opinion leaders where necessary.

Workforce

Dyson is always growing and evolving, and how we engage with our employees is no exception. We conduct regular surveys to gather real insights of what our people experience globally, working at Dyson. The insights gained from the pulse surveys have been invaluable in driving a range of new initiatives and changes across our functions and markets over the past year. The Board considers the results of all employee engagement surveys a good barometer of the workforce's confidence in the Group's strategic direction, optimism in the future and career opportunities.

The Group's aim, for all members of staff and applicants for employment, is to fit the qualifications, aptitude and ability of each individual to the appropriate job and to provide equal opportunity regardless of sex, religion or ethnic origin. The Group does all that is practicable to meet its responsibility towards the employment of disabled people.

A well-trained and motivated workforce is a high priority. Training is through both external courses and on the job training. It is Group policy that career development and promotion opportunities should be available to all employees. The Group ensures that all employees are kept up to date by regular meetings, briefings and newsletters communicating major developments and changes within the organisation.

Customers

Dyson is committed to providing the best service to its customers old and new. The Board regularly reviews customer service arrangements and ensures appropriate investment is being made in the support of customers, measuring results using a net promoter score system. The safety of Dyson products is also of critical importance. The CEO is responsible for the safety and quality of products and is supported by a team of highly experienced engineers and managers. The Board reviews safety and quality issues at least annually.

Business partners/suppliers

Our business suppliers and partners provide us with the tools and services we need to deliver for our customers. Our Procurement function conducts supplier surveys and supports a programme of supplier engagement, some of which is linked to our annual statement on Modern Slavery.

Shareholder's Dialogue

Our shareholder is the ultimate owner of the Company and is involved with certain stewardship activities. The Board meets with the shareholder on a monthly basis to provide an opportunity to engage directly with the Board. The Board receives regular reports and feedback from discussion with the Company's shareholder and is informed of any issues or concerns raised by them. This process allows Directors to develop necessary understanding of the views of their shareholder and enables the Board to judge whether the shareholder has a sufficient understanding of the Company's strategic objectives.

25 February 2020