

# Accountability, integrity and respect are the cornerstones for a healthy business.



My first priority has been to expand the Board with new members who could bring strong technical backgrounds, international experience in our industry and who have specific knowledge of working with our customer base.

## **Dear Shareholder**

I am pleased to report to you the Governance section of our Annual Report 2017.

I stepped into the role of Chairman in May 2017 having joined the Board in December 2016. During 2017 I have met with a large cross section of the stakeholders in our business to solicit a wide range of views on the opportunities and challenges that Spirent faces. I will continue to maintain that dialogue with as wide a cross section of the stakeholders in our business as possible as I aim to ensure that Spirent delivers not only on its financial goals, but also on its wider responsibilities as an employer in the communities in which it operates.

From a governance perspective, my first priority has been to expand the Board with new members who could bring strong technical backgrounds, international experience in our industry and who have specific knowledge of working with our customer base. In appointing Edgar Masri and Wendy Koh at the beginning of 2018, the Board and I are confident that we have found people with just the right profiles. They will help to supplement and develop

the skillset and experience of the Board which will, in turn, help us to support our management team and build a platform for Spirent to grow in a sustainable way.

Just as important as the set of skills and experience of the Board is that we have the appropriate governance framework in place to ensure we meet our obligations. I am pleased to confirm that this year Spirent has complied in full with the principles of the UK Corporate Governance Code 2016. As you will see from reading our Remuneration and Audit Committee reports, we have sought to build on the existing strong governance framework in order that the Board can be confident that it has full visibility of issues within Spirent's businesses and that we are fully considering the changing expectations of our stakeholders with regard to matters such as executive pay. I note our inclusion on the Investment Association register of companies with a significant vote against our Directors' report on remuneration at the 2016 AGM and, as explained by our Chair of Remuneration Committee in his letter on page 74, we are engaging with all investors to understand their points of view and, where possible, address their concerns.

Finally, I would like to extend my thanks and appreciation to my colleagues on the Spirent Board who stood down in the year under review. The composition of the Board changed significantly during the course of 2017 and I would like to acknowledge in particular the contribution that Alex Walker made, serving on the Spirent Board for a total of 10 years, including seven years as Chairman. In that time, he led the Board with distinction as Spirent expanded into profitable and fast-growing markets and dealt with the challenges of rapid technology change. We wish him well in his retirement.

I look forward to meeting any shareholders who are able to attend our AGM in May and thank you for your continued support as we look to the year ahead.

**Bill Thomas**  
Chairman  
8 March 2018