

FENNER GROUP HOLDINGS LIMITED

For the year ended 31 December 2020

Section 172(1) Statement

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company, under section 172.

The directors always aim to act in the best interests of the Company, and to be fair and balanced in their approach. The needs of different stakeholders are always considered as well as the consequences of any decision in the long-term and the importance of our internally published high standards of business conduct. More information is given in sub-paragraphs (a) to (d), which correspond to the individual factors disclosed under Section 172(1).

a. Long-term decision making

The directors delegate day-to-day management and decision making to the senior management team, but they maintain oversight of the Company's performance. In addition to this, any major decisions with long-term implications, including significant new business initiatives, would need approval of the Michelin Group, to ensure that the business decisions taken locally are in alignment with the long-term strategy of the Group. Any decisions approved either locally or by the Michelin Group, are then implemented, with subsequent oversight from the directors to ensure management act in accordance with the agreed strategy. Processes are in place to ensure that the directors receive all relevant information to enable them to make well-judged decisions in support of the Company's long-term success, including management KPI's, risk management policies and a robust suite of internal controls, all underpinned by internal audit.

b. Stakeholders

We aim to be fair and ethical in dealings with all our external stakeholders.

c. Reputation for high standards of business conduct

The directors are responsible for developing the culture across the Company, which promotes integrity and transparency. The Company has established comprehensive systems of corporate governance and approves policies and procedures which promote corporate responsibility and ethical behaviour, and these are implemented within the Company.

d. Acting fairly as between members of the Company

The directors aim to understand the views of the sole shareholder and always act in their best interests. In order to do this, the directors work closely with the shareholder to ensure operations, strategy and performance are aligned with the long term objectives of the shareholder, while complying with the Articles of Association of the Company, and in line with the highest standards of conduct as laid out in Group policies.