

Section 172 Statement

Marshall Land Systems Limited

(Extract from the Strategic Report Year Ended 31/12/23)

Reporting on Section 172

The Directors of the Company must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

Section 172 protocol

As part of its framework, the ultimate parent company of the Group, Marshall of Cambridge (Holdings) Limited, has adopted a Section 172 protocol (the "Protocol"), which provides detailed guidance for directors and management on the application and execution of Section 172 duties across the Group, including the Company. The Protocol provides directors and management with a clear process to follow when considering principal decisions, as defined in the Protocol and Group's consolidated accounts.

Responsibility for decision making on these principal decisions is delegated to the board of the Group (the "Group Board"), except where they cannot be delegated under the Act, via the Company's terms of reference.

Principal decisions

The Board has also adopted a protocol to enable the Directors in making principal decisions. Principal decisions are those that are strategic, commercially material and impact the Company's stakeholders. All key strategic decisions are taken in conjunction with the Marshall Group board members to ensure they are in the best interest of the shareholders, employees and customers of the Company.

The fundamental overriding principle in the governance of the Company is that of ensuring transparent conduct which reflects fairness in all dealings with its stakeholders. See the statement on 'Stakeholder Engagement' which provides examples of how the Company considers and is engaged with its key stakeholders.

Section 172 application

The Group's Framework approach to the application of Section 172, to promote the success of the Group, including the Company, regulates the behaviour and activities of the Group Board and the Company's Board and executive committee. Examples of activities undertaken in relation to the ultimate parent company include regular reporting to the Group on performance of the business as well as other ad hoc reports on specific areas of the business. This includes monthly financial reporting as well as forecasting and budgeting with regular update meetings on the company operations. Examples of how the duties of section 172 have been met are listed in the Directors report. Signed and approved by the board of directors.

Examples of how the duties of section 172 have been met are listed in the Directors report¹

¹ The full report can be found at Companies House: <https://find-and-update.company-information.service.gov.uk/company/02661432>