

Mainline Digital Communications Limited (the “Company”)

Draft s.172(1) Statement

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the company’s employees;
- need to foster the company’s business relationships with suppliers, customers and others;
- impact of the company’s operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our employees and our relationship with customers. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company’s purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

As is normal for large companies, we delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing the execution of the business strategy and related policies. We review the Company’s financial and operational performance, risk and compliance, and health and safety matters at every Board meeting. We also review other areas over the course of the financial year including stakeholder-related matters; employee engagement and inclusivity; and partner satisfaction. This is done through the consideration and discussion of reports which are sent in advance of each Board meeting and through presentations to the Board.

The views and the impact of the Company’s activities on the Company’s stakeholders (including its workforce, customers and suppliers) are an important consideration for us when making relevant decisions. While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both the stakeholders and the BT Group means that generally stakeholder engagement best takes place at an operational or group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual company. For details on some of the engagement that has taken place with the Company’s stakeholders so as to help the directors to understand the issues to which they must have regard, and the impact of that feedback on decisions, please see the stakeholder pages of the BT Group plc’s 2020 Annual Report.

During the period we received information to help us understand the interests and views of the Company’s key stakeholders and other relevant factors when making decisions. This information was distributed in a range of different formats including in reports and presentations on our financial and operational performance, non-financial KPIs, risk, environmental, social and corporate governance matters and the outcomes of specific pieces of engagement. As a result of this we have had an overview of engagement with stakeholders and other relevant factors which allows us to understand the nature of the stakeholders’ concerns and to comply with our section 172 duty to promote success of the company.

One example of how we have had regard to the matters set out in section 172(1)(a)-(f) when discharging our section 172 duties and the effect of that on decisions taken by us is the decision to move to new head office premises during the financial year ended 31st March 2020. In making this decision the Board considered a range of factors. These included the long-term viability of the Company; its expected cash

flow and financing requirements; the needs of our workforce and the service and pricing expectations of our customers and suppliers, as well as the expectations of our members.