

MERITOR HOLDINGS UK LTD.

Registration Number 10208076

Section 172 statement

Meritor Holdings UK Ltd. is a holding company and the success of the company is intrinsically linked to the success of its subsidiary undertaking, Meritor Heavy Vehicle Braking Systems (UK) Limited. The s172 statement below is therefore heavily linked to the policies and procedures established in Meritor Heavy Vehicle Braking Systems (UK) Limited.

Section 172 of the Companies Act 2006 requires that directors of a company must act in the way they consider, 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
- a. The interests of the company's employees
- b. The need to foster the company's business relationships with suppliers, customers and others
- a. The impact of the company's operations on the community and the environment
- c. The desirability of the company maintaining a reputation for high standards of business conduct
- d. The need to act fairly as between members of the company

The directors recognise their responsibilities under the Act and are satisfied they have met their duties regarding these matters. Typically, in large and complex companies such as ours, the directors fulfil their duties through a governance framework that delegates day-to-day decision making to employees of the company. The following paragraphs together with relevant cross-references to the financial statements summarise how the directors have fulfilled their duties.

Employees

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests. Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Employee participation

The Company is part of the wider Cummins, Inc. Group and is therefore party to Group wide policies on procedures with regard employee participation. Both the Company and the wider Group is committed to investing heavily in its people recognizing that people are the core of our business and the provision of a work environment that allows our employees to reach their full potential is vital to the success of the wider business.

The Company is committed to recruiting, developing and retaining a high-performing and diverse workforce through strategic partnerships and collaboration within the business. The goal is to maximise individual and organizational potential within the workforce.

Both the Company and the Group recognise the need to communicate regularly and effectively with employees at all levels and this is conducted at both a Group and Company level.

Group communications include, but are not limited to:

Quarterly All Employee meetings

All employees are invited to a quarterly meeting where the group CEO, together with other members of the senior leadership of the Group provide an update on the group covering items such as financial and operational performance, new business wins, strategic update and employee engagement. In addition to being streamed live, these quarterly meetings are available to employees on our intranet site, Bulletin. In addition, on an annual basis this meeting is used to communicate to all employees the annual financial results of the group and how these compare to our stated targets and ultimately on the annual bonus % which all employees are eligible to receive.

All Employee emails

All employee emails are regularly distributed and cover a wide ranging number of matters including organisational

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changes, strategic announcements, employee initiatives, industry and company news. This information is also available on our intranet sites, Bulletin and Cummins Connect.

Bulletin

This is the group's intranet site and is available to all employees and covers a wide range of areas including information about the group, employee development portals, and company and industry news. The intranet also provides access to a wide array of employee engagement and development tools such as e-learning, career opportunities, employee development, employee resources and employee discounts. In addition, all employees now have access to the Cummins Connect intranet which provides additional resources over and above those included in the Bulletin intranet.

In addition to the Group communications, those employees who are employed by the Company also receive additional communications including:

Quarterly all employee newsletters

These all employee newsletters provide updates from each of the key functions within the Company including an update on the trading position of the company.

Employee bulletin boards

These boards are used to provide information to employees, particularly those operating on the factory floor and with limited access to the intranet. These cover a wide range of areas including operational and financial performance, employee updates together with any employee vacancies and training.