

# **BT European Investments Limited (the “Company”) 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 but having regard to a range of different matters. In discharging our section 172 duties we do this.

As the principal activity of the Company is to act as a holding company for other entities in the BT Group, the Company has had no commercial business, employees, customers or suppliers other than other BT Group companies during the period and, as such, the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors.

As for other group holding companies, the Company delegates authority for day-to-day management of the Company to executives within the BT Group, and then engage management in setting, approving and overseeing execution of the business strategy and related policies as is appropriate. Board meetings are held periodically where the directors consider the Company’s principal activities and make decisions. As a part of those meetings the directors receive information in a range of different formats on section 172 matters when making relevant decisions. For example, during the year the Company make an assessment of the strength of the Company’s balance sheet and future prospects relative to market uncertainties and make decisions about the payment of dividends. During the financial year ended 31<sup>st</sup> March 2020 the Board recommended an interim dividend of €200,000,000. In making this decision the Company considered a range of factors. These included the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business; and the expectations of our shareholder as the supplier of long-term equity capital to the Company.