

## Chair's Introduction

Letter from the Chair



Bob Lawson  
Chair

*Dear Shareholder,*

**I am pleased to introduce Eurocell plc's Corporate Governance Report for the year.**

Inevitably, the activities and focus of the Board, and its Committees, during the year were heavily influenced by the impact of the COVID-19 pandemic. The temporary shut-down of our operations from late March to mid-May, and the inherent uncertainty that has existed since, led to the Board to increase its activity with respect to the Company, in order to support the Executive team and properly discharge its governance responsibilities.

Since the onset of the first lockdown, regular and frequent virtual Board update meetings have been held, on a weekly basis at certain times, to discuss financial and operational matters. I would like to thank my Board colleagues and the Executive team for their commitment and tenacity throughout this challenging period, and for their voluntary agreement to take a temporary reduction in salary during the early months of the pandemic.

Once again, I am very grateful for the continued strong shareholder support that we receive. In particular, the successful share placing in April helped secure our financial position, even in the event of an extended lockdown, and allowed us to continue investment in our state-of-the-art new warehouse facility, as planned.

I continue to believe that the composition of the Board, supported by the strengthened Executive Committee, provides an appropriate balance of skills, experience, independence and knowledge to take the business forward. The culture of open communication, mutual trust and honest assessment of our strengths and areas for development continues to underpin the effectiveness of our governance. This view is also supported by the conclusions of the externally facilitated review of the Board, and its Committees, which was conducted this year (see page 69).

Throughout the year, we have continued to apply the principles and provisions of the UK Corporate Governance Code (the 'Code'), under which this report has been prepared, and the following reports provide details of the Board's activities during the year, including how it, and its Committees, have discharged their governance duties.

Finally, I look forward to welcoming, hopefully in-person (subject to COVID-19 guidelines), our shareholders to the AGM, to be held on 13 May 2021, and to receiving and answering your questions.

**Bob Lawson**

Chair

11 March 2021

### **Role of the Board**

The Board comprises a Non-executive Chair, three Non-executive Directors and two Executive Directors, who are equally and collectively responsible for the proper stewardship and leadership of the Company. Their biographical details are set out on pages 64 and 65.

In accordance with the Code, at least half the Board, excluding the Chair, should be Non-executive Directors, who are determined by the Board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, this judgement. The Company regards Sucheta Govil, Martyn Coffey and Frank Nelson as 'independent Non-executive Directors' within the meaning of the Code and therefore is considered to be compliant in this area.

The formal schedule of matters reserved for the Board's consideration includes the following:

- Approval of the Group's strategy, long-term objectives, annual operating budgets and capital expenditure plans.
- Approving transactions of significant value or major strategic importance, including acquisitions.
- Approving significant changes to the Group's capital, corporate or management structure.
- Monitoring and assessing the overall effectiveness of the Group's risk management processes and internal control systems, including those related to health and safety, financial controls and anti-bribery policies and procedures.
- Approving the Annual and Half-Year Reports, including Financial Statements.
- Approving other corporate communications related to matters decided by the Board.
- Board appointments and succession planning and setting terms of reference for Board Committees.
- Remuneration matters, including the general framework for remuneration and share and incentive schemes.

Subject to those matters reserved for its decision, the Board has delegated to its Audit and Risk, Nomination and Remuneration Committees certain authorities.