SHAPE TECHNOLOGIES GROUP®

FLOW HOLDING LIMITED

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.

In doing this section 172 requires a director to have regard to, amongst other matters, 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 between members of the company.

In discharging our section 172 duties Flow Holding Limited (the "Company") has regard to the factors set out above. In addition, 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 members of the Shape Technologies Group. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all circumstances.

We delegate responsibility for the Company's day-to-day operations to senior management, including setting, approving, and overseeing the execution of the business strategy and related policies. The Board meets periodically to review the Company's activities and make key decisions. During these meetings, directors are provided with information in various formats, including materials relevant to section 172 considerations, to support informed decision-making. For example, each year we evaluate the strength of the Company's financial position and prospects considering market uncertainties and determine whether to approve dividend payments.

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

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