

s.172 statement – NOVAR SYSTEMS LIMITED

The following statement describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006.

When making decisions, each director ensures that they act in a way that they consider, in good faith, would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term"

The directors understand the business and the evolving environment in which we operate. The strategy followed by the board, and decisions taken to implement it, is intended to strengthen our position in the market place over the longer term and support our aim of being the supplier of choice for life and property protection equipment and installations.

S172(1) (B) "The interests of the company's employees"

The directors recognise that the company's employees are an important part of our business and delivery of our ambitions. The success of our business depends on attracting, retaining and motivating high calibre employees. The directors factor the implications of decisions on employees, where relevant and feasible. Further information on employment of disabled persons and employee involvement can be found on page 5 and 6.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

The directors recognise the importance of clear communication and proactive engagement with stakeholders. Comprehensive engagement enables informed decision making and is integral to the long-term success of the company. The directors factor the implications of decisions on stakeholders, where relevant and feasible.

Engagement with suppliers is managed as a part of Honeywell global procurement organisation. For more information on Honeywell International's supplier code of business conduct please refer to www.honeywell.com/en-us/company/integrity-and-compliance.com

S172(1) (D) "The impact of the company's operations on the community and the environment"

The directors apply Honeywell International Inc's Sustainable Opportunity Policy which is based on the principle that by integrating health, safety and environmental considerations into all aspects of our business, Honeywell protects its people, communities and the environment; achieves sustainable growth and accelerated productivity; drives compliance with all applicable regulations; and develops technologies that expand the sustainable capacity of our world.

This policy is deliberately and directly embedded into the group-wide operating system, a blueprint for continuous operational improvement. Endorsed annually by the Honeywell International Inc CEO and senior leadership, the policy is posted in every facility and communicated to all employees and contractors.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The directors apply Honeywell International Inc's Code of Business Conduct which is designed to provide guidance on the Group's standards of Integrity and Compliance. By doing so the directors help to ensure that high standards are maintained both within the business and the business relationships we maintain.

S172(1) (F) "The need to act fairly as between members of the company"

By weighing up all relevant factors, the directors consider which course of action best enables delivery of strategy through the long-term, taking into consideration the impact on stakeholders, for the time being the company only has one shareholder.

Principal Decisions

Being a part of a large multinational group of companies, Novar Systems Limited adheres to policies and procedures which are often set by the ultimate parent company, Honeywell International Inc. During the year there were no principal decisions, within the context of Section 172 reporting, for the company to disclose.