AGM 2020 QUESTIONS AND ANSWERS

20 August 2020 – Private shareholder

Q1: It is a little disappointing that some of the non-executive directors do not have any interest in the Company by not having any shareholding. I note that there is a requirement for executive directors but not, it seems one of a holding in value perhaps at least equal to annual fees by three years after appointment, for the NEDs. Why not please?

A1: *Three of our Non-Executive Directors are family members and each hold a substantial interest in the capital of the Company. Following publication of our Annual Report and Accounts for 2019, we can confirm that all our independent non-executive directors now hold at least 1,250 A ordinary shares in the Company.*

Q2: Whilst recognising that a 17.5% employer pension contribution is not huge but it is nevertheless well above typical levels (which are rarely far into double figures). Bearing in mind the Annual Allowance and LTA issues that effectively mean much of this allowance is probably taken as additional income, it is still the case that almost other listed companies are reducing their employer director pension contributions over a couple of years or so to the values enjoyed by their staff. Why does Fullers think that this is not appropriate for us?

A2: *The Remuneration Committee is very conscious of shareholder guidance that pension rates for executive directors should be aligned with the rate of pension available to the wider workforce. The Remuneration Committee carefully considered this guidance and amended the Remuneration Policy so that for any new Executive Director from 1 April 2020, the pension opportunity will be in line with the policy for the majority of the workforce. However, it did not consider that it was appropriate at this stage to make a reduction in the pension allowance for executive directors given this is a contractual entitlement for the executive directors, the current pension rates are in-line with market practice for other companies of a similar size and the overall positioning of our pay remains low against market. The Remuneration Committee has committed to keep this approach under review each year to ensure that we continue to feel it is appropriate for the Company in the context of market practice and shareholder guidance.*

Q3: After Richard Fuller ceased full time employment with the company he was appointed a non-executive director, albeit at a lower rate of fees. Were the NED fees taken into account as partial mitigation when calculating the redundancy payments made to him outlined on page 78? If not, should they have been?

A3: *Whilst the current form of Executive Director service contract in use contains provision for any payment in lieu of notice to be made on a monthly basis and any income from new employment to be set off against that amount, these provisions were not part of Richard Fuller's service contract and thus, termination of his employment had to be in line with the Company's contractual obligations.*

Q4: Despite all the Covid crisis and sensible arrangements for the AGM, why does note 7 on the proxy form say that the completion and return of the form does not preclude a member from attending the meeting and voting in person?

A4: *The notes reflect the normal provisions for AGM but are superseded by the fact the meeting is being held behind closed doors. Thus, this is similar to shareholders retaining the option to appoint a third-party proxy in the notes but, in reality, failure to appoint the Chairman with clear voting instructions will result in the shareholder not being represented at the meeting as no one will be allowed in. The proxy forms have been prepared to avoid this happening.*

7 September 2020 – Private shareholder

Q5: It is quoted in the Report & Accounts for 2020:-

1. Balance Sheet is strong

2. Successive generations have built the foundations ….to withstand financial shocks

3. The company being assessed as Investment Grade

4. Company is in a position of strength as we exit Lockdown

Family Shareholders have supported Fullers for 175 years – some for more.

Regardless of the capital payout following the sale of the Beer Company, it has not been properly explained the reason for paying no Final Dividend of any amount, bearing in mind the comments made by the company, quoted above.

A5: Recent months have been a hugely challenging time not just for Fuller's but the whole country. The Company had a sustained period when its entire Estate was closed for business, placing the Company under extreme financial pressure with significant cash outflows and virtually no income. In order to put Fuller's in the best possible position for its long-term future the Board took the difficult decision not to pay a final dividend. The key factors in making this decision were the significant amount of cash-drain experienced and the uncertainty around how long it would be before the Company would be cash-generative on a sustainable basis again. In the circumstances, the Board considered that making a dividend payment would be irresponsible. In addition, in making this decision, the Board considered factors such as the return of capital to shareholders that had taken place during the year and the strength of the Company's balance sheet, which is primarily comprised of freehold assets rather than cash reserves.

27 August 2020 – Private shareholder

Q6: As a long term shareholder, and at a time when the share price is very low, I am surprised that three directors have less shares than I do.

Although Mr Rowland has only just been appointed I would expect that he, Helen Jones (766 A shares) and Juliette Stacey (1250 A Shares) would be investing more in our company to show confidence in the future.

Perhaps they could comment on this as I see they receive a good salary/fees.

A6: The answer to this question appears at A1. above.

9 September 2020 – Private Shareholder

Q7: The first item is that following on the reopening of the company's pubs from the Lockdown, some of the pubs in the Managed Arm have adopted a Cashless policy, "Payment by Card only". Of course they are not all open at this time, only those ones that can accommodate all the requirements of social distancing ;where they are and the locations - some of the City centre sites still closed, the workers not back on site because their jobs can be done from Home etc.

Yet within the Tenanted Arm it is a different story. Some of them have reopened , payments can be accepted in cash. I, like all other shareholders accept that safety of all employees is paramount in this industry. I know that from experience because I work directly in a pub. Social distancing protocols are different from managed pubs. I do hope that the policy that has been adopted in the Managed Estate will not end up as an excuse to roll out a no cash in payment situation once things get back to normal.

There are some pubs out there that are run by other companies which as you perhaps know have taken that route. Cash in this society is still king for a lot of people including myself and I hope that the company will reconsider their position on this matter.

The payment of cash at the end of the day is still money in the till and as you've said Mr Chairman, because of instruction by government to lockdown until the lifting, the company has been hit by over more than £10 million to date.

Also, following on from the AGM , will the Company make a statement to the shareholders and the LSE about what the latest plans are being put in place to enable a complete rebuild of the Group and any issues thar have been identified that could be improved on and thus secure a firm foundation for a re-emergence of continued growth and investment.

A7: Like many businesses, Fuller’s regularly reviews its operating procedures to reflect changes in customer trends. In a certain number of our pubs we have seen a significant shift away from cash as a means of paying. In these sites, we are in the process of reviewing whether it is appropriate to continue to take cash as a means of payment.

Your comments about plans for a complete rebuild of the Group ignore the fact that the Group is very well constructed, and over 90% of the estate is freehold, which will be so important going forwards. This puts our company in a very strong position. In terms of the future plans for the Company, Fuller's provides updates on its strategy within both its annual report and interim report. Any significant change in strategy outside of these updates would be announced in line with the Company's listing obligations.