

Corporate Governance Statement
Financial Year ending 31 December 2019

The Board considered The Companies (Miscellaneous Reporting) Regulations 2018 (the “Regulations”) and reviewed the Wates Corporate Governance Principles for Private Businesses (“Wates Principles”) published on 10 December 2018 as well as the UK Corporate Governance Code and the Board considered the Wates Principles the most appropriate for its corporate governance reporting and has applied these during the year.

Wates Principle	How it has been applied by the Company
<p>Principle 1 Purpose and Leadership An effective Board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose</p>	<p>The stated purpose of the Company is to make a difference with real care and the Board communicated this purpose throughout the business via leadership meetings and webinars and have embedded it at every level of management so that the managers in turn embed it in their communication with their teams. The Board received feedback from these leadership meetings and webinars which enabled the Directors to have an understanding of the views of not only the management team but also the wider workforce and the Company’s stakeholders.</p> <p>Alongside the purpose the stated values of the Company are “caring, genuine, collaborative and driven” which the Board promoted in its messaging to the wider workforce and stakeholders and which underpinned the strategy of the Board in its decision making throughout the year.</p> <p>The Board believes that the clear purpose and values helped to drive the culture of the Company, and through its engagement with stakeholders the Board ensured it was in a position to listen to, and take account of, the views of its stakeholders when setting the overall strategy of the Company.</p> <p>The Board has set up a cross party team to look at “Our Way of Working” which is a document setting out how the Company interacts with the workforce and with external stakeholders, to ensure it accurately reflects the stated values of the Board.</p>
<p>Principle 2 Board Composition Effective Board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a Board should be guided by the scale and complexity of the company</p>	<p>Appointments to the Board are guided by the Company’s shareholder Belron International Limited in consultation with members of the Board and in June 2019 Andrew Bentley was appointed to the Board as Finance Director as the directors believe he is a good fit for the Company in terms of the depth and breadth of his experience. The Directors do not consider it appropriate to appoint a separate Chair and Chief Executive.</p> <p>The Board is supported by an Executive Team who ensure the Board is supplied with relevant and appropriate information enabling the Directors to focus on the strategy, business needs and the interests of all stakeholders.</p>

<p>Principle 2 Board Composition (continued)</p>	<p>The Board has identified key standing agenda items for Board Meetings and sufficient information is provided to individual Directors in advance of meetings to ensure transparency and allow time for challenge during the decision making process. Conflicts of interest (if any arise) are declared at every Board meeting and there is also a register of any conflicts of interest at group level.</p> <p>A Board skills evaluation is carried out at least annually to ensure there is an appropriate mix of skills as well to consider whether the Board is of an appropriate size and structure to provide effective challenge.</p> <p>The Board considers it has an appropriate balance of expertise, diversity and objectivity and does not consider it necessary to appoint any non-executive directors. The size of the Board is dictated by a Belron Group policy and the Directors have agreed that the composition of the Board is appropriate to the size of the business.</p>
<p>Principle 3 Director Responsibilities</p> <p>The Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision-making and independent challenge.</p>	<p>During the year the Directors received training in relation to their directors' responsibilities as well as their own areas of responsibility and accountability.</p> <p>The Board continued to investigate and challenge the quality and integrity of the information contained in the reports it received to ensure the systems and controls it has in place are operating effectively.</p> <p>During the year a key focus has been on the application of The Companies (Miscellaneous Reporting) Regulations 2018 as well as the implementation and application of a corporate governance code.</p> <p>Having reviewed the operations of the Company the Directors do not consider it appropriate to form Committees of the Board. The Directors believe sufficient information is provided to the Board and individual Directors to enable efficient decision making in such areas as finance, risk and succession planning.</p>
<p>Principle 4 Opportunity and Risk</p> <p>A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks</p>	<p>The Company operates within the wider Belron Group of Companies and accordingly the Board is guided by not only its immediate shareholder, Belron International Limited, but also the strategy of the Belron Group as a whole. However, the Board, through communication with its Executive Management Team, works to identify new opportunities which not only fit with the wider strategy of the Group but also help to sustain the long-term success of the Company. An example of this is the "total calibration" concept providing vehicle calibration in third party body shops.</p> <p>The Board has responsibility for identifying the risks to the business, this is monitored, with the Executive management team, across the business and considered at Board meetings. The key risks are listed in the Strategic Report.</p>

<p>Principle 5 Remuneration</p> <p>A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company</p>	<p>The remuneration of the Directors is set at a Group level as remuneration at a senior level is guided by a wider Belron Group policy.</p> <p>For the Company, in conjunction with the Company's head of reward, the Board considered remuneration policies in relation to the employees of the Company. This included pay bands linked to responsibilities in order to incentivise management and progress through these pay bands is available.</p> <p>In addition, the Board considers, and if appropriate recommends and approves the payment of a discretionary bonus to staff based on the financial performance of the Company.</p> <p>The Company published a gender pay gap report and the is working to address the gaps that have been highlighted.</p>
<p>Principle 6 Stakeholder relationships and engagement</p> <p>Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regards to their views when taking decisions.</p>	<p>Engagement with customers was a key focus for the Board throughout the year. Net Promoter Score (NPS) is measured and reported to the Board frequently so that at Board meetings the Board can consider the impact of their strategy on customers.</p> <p>The Company regularly measures employee engagement via regular surveys as well as an annual engagement survey of the whole workforce. The 2019 survey had a response rate of 83%. The Directors reviewed the results and will direct their efforts accordingly. They will also seek to increase the response rate going forward.</p> <p>In order to understand the environmental impact of the Company's operations the Board directed that a cross function team is set up to report on CSR and the environmental impact.</p> <p>The Board and individual Directors ensure there is regular interaction with the Company's stakeholders: this can be via the sales team's interaction with insurance partners, the procurement team's interaction with suppliers or employees' involvement in local charities.</p>