

Corporate Governance Statement
Financial Year ending 31 December 2020

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 majority of the Directors are members of the Company’s Executive Team which meets regularly. At these meetings significant issues impacting the Company enables the Directors to gain an understanding of the views of not only the Management Team and the key areas of focus but also the wider workforce and the Company’s stakeholders. Additionally, a majority of the Directors attend a monthly review meeting where further discussions take place to ensure that the voice of the stakeholders is heard and taken into consideration.</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 has cascaded it to every level of management so that managers in turn include it in their communication with their teams.</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 employees and other key stakeholders, and which underpinned the strategy of the Board in its decision making throughout the year, particularly in the light of the Coronavirus pandemic where decisions were taken in a much shorter time frame than usual. A Covid-19 taskforce was formed. This taskforce all matters relating to the pandemic, the Board’s message at all meetings of the taskforce was that the safety and wellbeing of the workforce and customers was its priority.</p> <p>The Board believes 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>As a result of the pandemic the Board asked a cross party team to look at post COVID-19 work patterns and to advise on what changes could be implemented that would benefit the Company, its employees and other stakeholders.</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. 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 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>The responsibilities of each Director are well defined, and each Director has a clear understanding of their accountability and access to training where necessary.</p> <p>The individual directors and the Board continue to investigate and challenge the quality and integrity of the information contained in the reports they receive to ensure the systems and controls are operating effectively.</p> <p>Having reviewed the operations of the Company the Directors do not consider it necessary 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.</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>During 2020 the Board considered it was in the best long-term interests of the Company to furlough a proportion of the workforce whilst the business was not operating at full capacity.</p> <p>The Company published a gender pay gap report which can be viewed on the website.</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>During the year the Directors identified what they considered to be Principal Decisions (the “Decisions”) being taken by the Company as well the Company’s key stakeholders. The Directors have consider the composition of the Board and are satisfied that there is sufficient representation to enable the equal consideration of all stakeholders to be taken into account when Decisions are taken.</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 2020 survey had a response rate of 80%. The overall engagement score for the Company was 75%, so areas of improvement were identified, and these will be discussed at future Board Meetings The Board 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 prepare a Responsible Business report on CSR and the environmental impact. The Board considers the data provided to it in order to try to reduce our impact on the environment. In 2020 we managed to reduce the miles driven by our fleet to ensure minimum impact from CO2 and we managed to increase our recycling rate at our main distribution centre.</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>