

Corporate Governance, including S172 of the Companies Act 2006

As a wholly family owned company, we operate our business in accordance with an agreed set of core values, which address how we deliver value to both the communities in which we operate and to our shareholders. These core values also drive how we interact with a range of stakeholders, including our customers, colleagues and suppliers plus franchise, banking, funding and property partners.

Our mission statement is "To Deliver an exceptional experience that customers trust and advocate, by working as a family" Our P.R.I.D.E. core values can be summarised as :

- **Passion** *Be committed. Be a local hero. Show pride in what you do.*
- **Responsible** *Make a difference. Be accountable. Celebrate success and learn from mistakes.*
- **Integrity** *Respect customers. Always be the best you can be. Work as a team.*
- **Dependable** *Deliver on your promises. Be transparent and trustworthy. Have a positive outlook.*
- **Enterprising** *Show initiative. Pursue growth and learning. Be resourceful.*

Employees are briefed on these core values as part of their induction when they join the group. Our mission statement and core values are also promoted via our in house communication Intranet site. Our zero tolerance approach to any form of staff behaviour which is considered to constitute harassment, bullying or victimisation on the basis of race, sex, sexual orientation, disability, religion, gender reassignment, marital status or civil partnership, pregnancy or maternity or age is also covered during an employee's induction as well as within their employment contract.

Our Board of Directors comprised our Chairman, Group Managing Director, Group Finance Director, Human Resources Director and two non-executive Directors. John H S Clark as Chairman and Christopher J Clark as Group Managing Director are each registered at Companies House as a Person of Significant Control, across this company and all subsidiaries thereof, given that they each own more than 25% of the shares of this company. Our Group Finance Director is a member of the Institute of Chartered Accountants of Scotland and our Human Resources Director is a Fellow of the Institute of Personnel & Development. Both non executive Directors offer the benefit of many years of multi-franchise motor trade experience, through senior management roles with industry leading groups.

John H S Clark and Christopher J Clark are also Directors of all of our wholly owned subsidiaries, where they were supported by two Divisional Managing Directors plus a Group Property and Projects Director. Both Divisional Managing Directors offer the benefit of many years of multi-franchise motor trade experience, through senior management roles with industry leading groups.

Our statutory boards are supported by our Operations Board, which includes representation from all operating divisions via a team of Franchise Directors, as well as our central support services team. Specialist knowledge on each of Finance and Insurance operations, Human Resources and Marketing is provided by a group level director. Regulatory compliance controls and reviews, including internal audit and mystery shop exercises, are coordinated by Group Compliance and Customer Relationship Marketing Managers. Financial controls and internal audit reviews are coordinated by our Operations Finance Manager.

The duly registered identities and contact details of all executive statutory Directors, as well as our team of Franchise and central support Directors, is also promoted to customers via our internet website.

Holdings, Subsidiary and Operations Board appointments are discussed with and ratified beforehand by our Chairman and Group Managing Director. When appointed, Directors attend an induction event where their legislative and fiduciary duties are set out and reviewed, including the obligations under paragraph 1 (a) to (f) of section 172 of the Companies Act 2006.

The remuneration of all Board members is reviewed each year, as is that of all dealership senior management team colleagues. Monthly, quarterly and post year-end payments against these plans are measured and monitored by the Group Managing Director, Divisional Managing Directors and Group Finance Director. These payments reflect a mix of performance related rewards which are linked to both quantitative trading results thresholds and qualitative objectives which include customer

satisfaction survey and franchise partner scorecard results as well as colleague communication and motivation measures.

We provide a range of optional lifestyle choice benefits to our team members, including defined contribution pension, private medical insurance and cycle to work schemes. We also provide death in service life insurance cover to all employees.

Our minority shareholders plus banking and finance house funding partners receive regular updates on key performance indicators, plus forecast and actual trading results as well as financial liquidity. Our dealership management teams receive regular topical briefings from their respective Franchise Directors, as well as via group level updates from both the Group Managing Director and the Human Resources Director. The Chairman and Group Managing Director also support regular site visits as well as the annual group management conference and recognition awards ceremony.

Whilst we sell to customers throughout the UK, all of our operations are based entirely in Scotland. We do not operate any offshore companies, corporate trusts or bank accounts. Customer satisfaction is closely monitored via daily, weekly and monthly measurement through a mix of online feedback channels and franchise partner surveys.

We support a variety of initiatives which seek to support the communities in which we live and work. These include local and regional level charity fund raising exercises as well as various community engagement sponsorships.

Further examples of how we as a Board address our corporate governance duties can be found within the Opportunity and Risk section of the Strategic Report within our statutory accounts.

Annual updates on the Group's environmental policy, Taskforce for Climate Related Financial Disclosures and Streamlined Energy and Carbon Reporting can also be found within our statutory accounts.