GOVERNANCE

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS AND STAKEHOLDERS

I am pleased to present the Corporate Governance Report for the year ended 31 December 2021. The next few sections explain how the Board and its Committees have discharged their duties throughout the year and I hope you find it informative.

LOOK BACK OVER 2021, ACCELERATE STRATEGY, RESPONSIBLE BUSINESS

As the automotive industry continues to undergo a period of immense change, the Board focused on the refreshed Accelerate strategic plan which was rolled out across the Group in 2021. The Board spent time agreeing the activities required to achieve our strategic ambition and defining the financial benefits we anticipate Accelerate will deliver. Further information on the Board's decisions can be found on page 72 and details of the Accelerate strategy are given on pages 4 and 5.

Also rolled out in 2021, was the Driving What Matters plan (Plan) which was developed alongside the Accelerate strategy and underpins our purpose. The Plan is built on four strategic pillars: People, Places, Planet and Practices. The Plan has a global workstream for each of the pillars whose remit is to identify key priority actions in both the short, medium and longer term. The CSR Committee has updated its terms of reference and will have oversight of performance against objectives, reporting to the Board on progress throughout the year.

I am excited by both the Accelerate strategy and the Plan and the enthusiasm by which they have both been adopted by our colleagues. It is by delivering this holistic approach to our ambitions that we can achieve our purpose and deliver long-term value for stakeholders.

BOARD CHANGES

Nayantara Bali joined the Board as a Non-Executive Director in May 2021. Nayantara is currently director and co-owner of ANV Consulting Pte, a boutique management consultancy and has held several senior global positions during her career at Procter & Gamble giving her extensive international skills and knowledge. Nayantara is based in Singapore. As announced in January 2022, I am also delighted that Sarah Kuijlaars has joined the Board as a Non-Executive Director. Sarah is currently Chief Financial Officer and Executive Director of De Beers plc and was previously a Non-Executive Director at Aggreko plc.

I am sure both Nayantara and Sarah will be valuable additions to the Board during this period of change for the industry.

Till Vestring prolonged his tenure to assist with the recruitment process and induction on Nayantara which we are grateful. However, he intends to step down at the 2022 AGM and I would like to thank him for his excellent contribution to the Board and to the Company.

TASK-FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD reporting became mandatory for UK listed companies in 2021 and the Board has spent time assessing how climate change will impact the business over the coming years. This is of increasing focus, and of upmost importance, with urgent action needed by governments, businesses and individuals alike. Various aspects of the impact of climate change have been a topic of conversation by the Board for many years as we have discussed the move to alternative powertrains and what this will mean for our OEM brand partners, our customers, our employees and of course our business model over the longer term. However, the work carried out during the year to enable us to comply with the recommendations of TCFD have helped focused our thoughts on our business model vulnerabilities, and resilience, and how these can be managed effectively in the long-term. Climate related issues will be considered by the Board on an ongoing basis as the rapidly evolving subject progresses over time. Further details are given on pages 40 to 44.

LOOKING FORWARD

At the beginning of 2022, continuing supply chain disruption and the impact of new strains of Covid-19 may impact performance, however, the Board remains confident that we will be able to deliver success over the longer term. The Accelerate strategy, and the Plan, which are now fully embedded within the Group underpin a strong sense of purpose to bringing mobility to the world's communities – for today, for tomorrow and for the better.

I would like to take this opportunity to thank all our Inchcape colleagues for their hard work during the year. Their strenuous effort and resilience have contributed to our great performance against the backdrop of continued uncertainty.

I thank you for your support in 2021 and look forward to the coming year.

NIGEL STEIN
CHAIRMAN

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The 2021 Annual Report and Accounts is prepared with reference to the 2018 UK Corporate Governance Code (Code) which is published by the Financial Reporting Council (FRC) and available at www.frc.org.uk. We have complied with the Code throughout the year ended 31 December 2021. Under Code provision 10, the criteria for director independence is set out. The reasons why the Board is satisfied that Till Vestring remains independent, despite having served on the Board for 10 years, are outlined on pages 75 and 76. Our compliance statement, along with the Corporate Governance Report on pages 72 to 108, describes how we apply the principles of the Code.

BOARD LEADERSHIP AND COMPANY PURPOSE

BOARD'S ROLE

The Board is collectively responsible for defining, approving, and monitoring the Group's strategy to ensure it delivers long-term sustainable success.

The Directors' judgement and objectivity enable the Board to operate effectively within a structured governance framework to:

- Assist in the delivery of strategy;
- Promote long-term sustainability;
- Generate value of shareholders; and
- Contribute to wider society.

If a Director has a concern about the running of the Company which cannot be resolved, it would be recorded in the Board minutes. No such concerns arose during 2021.

FURTHER READING

STRATEGY – pages 4 to 5

DIRECTOR BIOGRAPHIES – page 70.

REMUNERATION STRUCTURE THAT SUPPORTS STRATEGIC AIMS – pages 84 to 103

MATTERS RESERVED FOR THE BOARD – www.inchcape.com

PURPOSE, VALUES AND CULTURE

The Group's purpose is underpinned by the Accelerate strategy and Responsible Business plan. A global communication programme was rolled out during 2021 to ensure that all employees understand the behaviours expected of them.

In order to operate effectively, it is important that the appropriate culture is embedded throughout the business and this is approached in several ways:

- Code of Conduct;
- Whistleblowing hotline;
- Remuneration policies and practices;
- Setting appropriate financial targets and monitoring performance against targets throughout the year;
- Employee engagement survey; and
- Delegated authorities.

Alex Jensen, the designated Non-Executive Director responsible for workforce engagement, held a forum with a group of employees from various regions and roles to enable two-way dialogue on understanding the culture of the organisation.

We are committed to adapting our operations to help tackle climate change and have launched sustainability targets for 2030.

FURTHER READING

STRATEGY – pages 4 to 5

RESPONSIBLE BUSINESS PLAN – pages 33 to 38

CULTURE FORUM AND EMPLOYEE ENGAGEMENT– pages 74 and 83

RECRUITMENT AND INDUCTION PROCESS – pages 75 to 76

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

RESOURCES AND CONTROLS	The Board is responsible for ensuring that the appropriate people are employed to deliver the strategic objectives and that they have the resources available in order to do so. The Board also ensures that the necessary controls, processes and procedures are in place to drive a strong ethical culture to facilitate the delivery of the strategy.	**FURTHER READING** **STRATEGIC REPORT** – pages 2 to 58 **PRINCIPAL RISKS** – pages 48 to 56 **INTERNAL CONTROLS** – pages 79 to 80
ENGAGEMENT	Inchcape has a broad group of clearly defined stakeholders and the Board engage with each of them on a regular basis through a variety of channels. This engagement allows the Board to understand what issues are important to stakeholders.	**FURTHER READING** **STAKEHOLDER ENGAGEMENT** – pages 16 to 18 **SECTION 172 STATEMENT** – page 18
WORKFORCE POLICIES	A new Code of Conduct was rolled out in 2021 which sets out the behaviours expected of our employees and ensures our policies remain aligned to culture and support long-term success. Other polices include health and safety, anti-bribery and corruption, inclusion and diversity framework, and whistleblowing. Speak Up!, the Group's externally hosted whistleblowing line, is a compliance and ethics reporting solution which allows both hotline and web reporting capabilities in multiple languages, integrated with case management software to support efficient and effective investigation, remediation and reporting.	**FURTHER READING** **RESPONSIBLE BUSINESS REPORT** – pages 33 to 38 **NON-FINANCIAL INFORMATION STATEMENT**– pages 46 to 47 **REMUNERATION COMMITTEE** – pages 84 to 103

DIVISION OF RESPONSIBILITIES

THE ROLE OF THE CHAIRMAN

The Chairman is responsible for the leadership of the Board and is separate from the role of Group Chief Executive Officer. He sets the strategic agendas which are designed to encourage constructive debate and promote a culture of openness and inclusion.

He was considered independent on appointment and continues to be.

The Chairman is also mindful of the need for the Directors to receive information which is accurate, timely and clear, and is supported by the Group Company Secretary.

FURTHER READING
BOARD EVALUATION OUTCOMES – page 73

COMPOSITION OF THE BOARD

As at 31 December 2021, the Board was comprised of two Executive Directors, six Non-Executive Directors and the Chairman. All Non-Executive Directors are considered independent. None of the Directors or their connected persons have, or have had, a material relationship with the Company or any of its subsidiaries. Non-Executive Directors receive a fee only and do not participate in shares award schemes or the pension scheme.

The Executive Directors are responsible for developing the Group's strategy, leading the Group Executive Team, running the day-to-day operations, managing risk and implementing controls, engaging with stakeholders, and reporting to the Board on progress against objectives.

The Senior Independent Director acts as a sounding board for the Chairman, to serve as an intermediary to other Board members and is available to shareholders should they wish. The Senior Independent Director leads the annual Non-Executive DIrectors only meeting during which they appraise the performance of the Chairman.

FURTHER READING
DIRECTOR BIOGRAPHIES – pages 70 to 71
COMMITTEE TERMS OF REFERENCE – www.inchcape.com

DIVISION OF RESPONSIBILITIES CONTINUED

ROLE OF THE NON-EXECUTIVE DIRECTORS

The Non-Executive Directors have a wide range of skills and experience which enable them to provide independent and strategic advice, and to constructively challenge management. An explanation of the contribution of each Director is given in the 2022 Notice of Annual General Meeting, which is available on our website.

The time expected is set out in the letter of appointment, which is available for inspection at the Company's registered office and at the Annual General Meeting. The Non-Executive Directors are required to allocate sufficient time to the Company to discharge their responsibilities and Board dates are agreed two years in advance to ensure that Directors are able to plan accordingly and for other commitments to be taken into account. Non-Executive Directors are informed of the time commitment expected from them upon appointment and this is reviewed annually to ensure that the time expected is still relevant in light of the Company's strategic agenda. The Board's policy on multi-board appointments requires Directors to obtain prior approval from the Nomination Committee and the Board before taking on another directorship where the additional demand will be assessed to ensure that all Directors are able to allocate sufficient time to the role.

FURTHER READING

BOARD SKILLS MATRIX AND MEETING ATTENDANCE TABLE– page 69

DIRECTOR'S BIOGRAPHIES – pages 70 to 71

MATTERS RESERVED FOR THE BOARD – www.inchcape.com

COMPANY SECRETARY

The Group Company Secretary supports the Board by providing advice on the governance framework and ensuring that the appropriate policies and procedures are in place to allow it to function effectively.

FURTHER READING

MATTERS RESERVED FOR THE BOARD – www.inchcape.com

COMPOSITION, SUCCESSION AND EVALUATION

APPOINTMENTS TO THE BOARD AND SUCCESSION PLANNING

Ensuring there is the right mix of individuals on the Board to support, and challenge, management, to avoid group think and to make the right decisions to facilitate the long-term success of the Group is a key element of the succession planning process.

The Nominations Committee engages external search consultancies when searching for Board position candidates. Appointments to the Board are agreed by the Nomination Committee to be put to the Board for approval.

FURTHER READING
NOMINATION COMMITTEE – pages 75 to 76
BOARD DIVERSITY POLICY – page 76

SKILLS, EXPERIENCE AND KNOWLEDGE OF THE BOARD

The Nomination Committee regularly reviews the tenure of each Board member and the skills matrix ensuring the Board's succession plan remains aligned with the natural rotation of Directors off the Board and the strategic objectives of the business. When appointing Directors to the Board, the Nomination Committee considers the longer-term strategic objectives and the skills and experience needed to deliver these successfully.

The Committee considers breadth of perspective on the Board which can only be achieved by appointing directors from a diverse range of backgrounds, with the range, experience and skills to achieve the strategic aims.

The Board consists of several Board members from outside the traditional UK plc environment, which adds to diversity of thought. The Board believes it has a good balance of new and longer-serving Directors.

FURTHER READING
BOARD TENURE – page 68
BOARD SKILLS MATRIX – page 69
NOMINATION COMMITTEE – pages 75 to 76

BOARD EVALUATION

The Directors provide feedback on how the Board operates, its culture and effectiveness during the evaluation process.

During 2021, the Board considered the areas of focus following the external evaluation in 2020 and carried out an internal evaluation consisting of an online questionnaire covering:

- Board effectiveness;
- Knowledge and contribution;
- Succession planning; and
- Committee performance.

The specific reasons why the Board considers that each Director's contribution is, and continues to be, important to the Company's long-term sustainable success may be found in the Notice of Annual General Meeting. The Board recommends that shareholders vote in favour of the re-election or election of all the Directors at the 2022 Annual General Meeting.

FURTHER READING
SECTION 172 STATEMENT – page 18
NOMINATION COMMITTEE REPORT – pages 75 to 76

AUDIT, RISK AND INTERNAL CONTROL

INTERNAL AND EXTERNAL AUDIT

The Board delegates responsibility for ensuring the independence and effectiveness of internal and external audit functions and the integrity of the financial statements. The Chair of the Audit Committee reports to the Board following each meeting.

The Committee regularly meets with the auditor without the presence of management to discuss any areas of concern they might have. John Langston, Chair of the Audit Committee, also meets with the Chief Financial Officer and Head of Internal Audit in one-to-one meetings which enable him to fully understand the key issues ahead of Committee meetings.

FURTHER READING
AUDIT COMMITTEE REPORT
– pages 77 to 81

FAIR, BALANCED AND UNDERSTANDABLE

The Board reviews the Annual Report and Accounts as a whole, the interim financial statements and the trading updates prior to publication to ensure that they provide a fair, balanced and understandable assessment of the Group's position and prospects.

The Board considers the weight given to published information to ensure that it is balanced and there are no omissions. The Board also ensures that the narrative reporting is consistent with the financial statements.

FURTHER READING
AUDIT COMMITTEE REPORT
– pages 77 to 81

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group has a system of risk management and internal control which is designed around an established three lines of defence model. This model engages management teams, corporate functions and independent assurance to manage risk, which is overseen by the Board and its Committees.

The Board approved the Risk Policy in January 2021, reviewed the Risk Management Framework in July and November and agreed its risk appetite in respect of the principal risks at the half year. At the November meeting, the Board also carried out a robust assessment of the emerging and principal risks. See pages 48 to 55 for the Principal Risks.

The risk management and internal control processes are designed to manage rather than eliminate the risk of failure to achieve business strategic objectives. In establishing and reviewing the system of internal control, the Directors have regard for the nature and extent of relevant risks, the likelihood of loss being incurred and the costs of control. The system can only provide reasonable but not absolute assurance against material misstatement or loss and cannot eliminate business risk.

The Audit Committee carry out a review of the effectiveness of internal control, on behalf of the Board, with any significant control failings or weaknesses reported to the Board, with a detailed review of the findings and mitigation plans being put in place. The Board monitor progress against plans until it is satisfied that the matter has been resolved appropriately.

The Directors are satisfied that the Group's risk management and internal control systems accord with the FRC's guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

FURTHER READING
RISK MANAGEMENT REPORT
– pages 48 to 56
AUDIT COMMITTEE REPORT
– pages 77 to 81

REMUNERATION

POLICIES AND PRACTICES

The Board has delegated responsibility for oversight of remuneration policies and practices to the Remuneration Committee. The Chair of the Remuneration Committee reports to the Board following each meeting.

When setting Executive remuneration, the Remuneration Committee takes into account purpose, strategy, and responsible business and is designed to promote the long-term success of the Company. The Remuneration Committee oversee Executive Directors receiving a pension contribution of 10% of salary, which is aligned to the UK employee average.

FURTHER READING

DIRECTORS' REPORT ON REMUNERATION
– pages 84 to 103

PROCEDURE FOR DEVELOPING REMUNERATION

There is a clear procedure in place to develop the remuneration policy. The Remuneration Committee has delegated responsibility for setting the Executive Directors' remuneration under the shareholder-approved Directors' remuneration policy, as well as the Chairman of the Board and the wider workforce. No Director determines their own remuneration. The Committee is supported by external advisors to provide guidance on best practice and consults with shareholders prior to a policy renewal to ensure their interests are supported. No Executive Director is involved in deciding the remuneration outcome.

FURTHER READING

DIRECTORS' REPORT ON REMUNERATION
– pages 84 to 103

EXERCISING INDEPENDENT JUDGEMENT

The Remuneration Committee is made up of only independent Non-Executive Directors. When agreeing Executive remuneration outcomes, the Committee uses its independent judgement to reach its decisions taking into account financial performance, personal objectives, wider business context and the longer-term impacts.

FURTHER READING

DIRECTORS' REPORT ON REMUNERATION
– pages 84 to 103

GOVERNANCE AT A GLANCE

GOVERNANCE STRUCTURE

THE BOARD OF INCHCAPE PLC

Collectively responsible for the long-term success of the Company

Audit Committee	Remuneration Committee	Group Executive Team	Nomination Committee	CSR Committee

Delegated authorities:

Audit Committee	Remuneration Committee	Group Executive Team	Nomination Committee	CSR Committee
• Financial Reporting • Risk Management • Internal Control	• Remuneration Policy • Incentive Plans • Performance Targets	• Group Strategy • Operational Management	• Board Composition • Diversity • Succession Planning	• Responsible Business • Workforce Engagement
COMMITTEE REPORT on page 77	COMMITTEE REPORT on page 84		COMMITTEE REPORT on page 75	COMMITTEE REPORT on page 82

Group Risk Committee

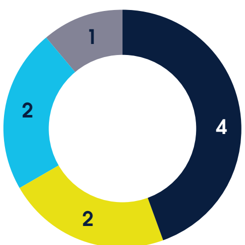
Delegated authorities: Risk oversight InControl Standards

Investment Committee

Delegated authorities: Oversight of Group capital expenditure

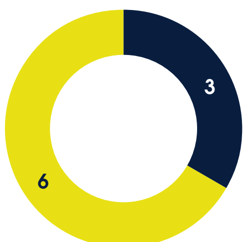
OUR BOARD

LENGTH OF SERVICE



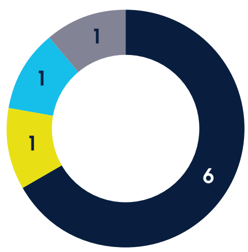
- 0 to 3 years
- 3 to 6 years
- 6 to 9 years
- 9+ years

GENDER



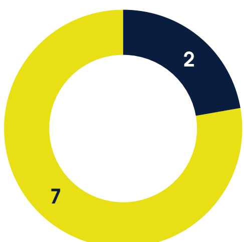
- Female
- Male

NATIONALITY



- British
- Dutch
- German
- Singaporean

RESIDENCE



- Singapore
- United Kingdom

BOARD ATTENDANCE

The table below shows the Board and Committee meetings held during the year

	Board	Audit Committee	Remuneration Committee	Nomination Committee	CSR Committee
	Scheduled/ Attended	Scheduled/ Attended	Scheduled/ Attended	Scheduled/ Attended	Scheduled/ Attended
Nayantara Bali*	4/4			1/1	2/2
Jerry Buhlmann	7/7	4/4	3/3	2/2	4/4
Gijsbert de Zoeten	7/7				
Rachel Empey**	2/2	1/1		1/1	
Alex Jensen	7/7			2/2	4/4
Jane Kingston	7/7	3/3	3/3	2/2	
John Langston	7/7	4/4		2/2	
Nigel Stein	7/7		3/3	2/2	4/4
Duncan Tait	7/7				4/4
Till Vestring	7/7		3/3	2/2	4/4

* Nayantara Bali joined the Group on 27 May 2021.
** Rachel Empey left the Group on 30 April 2021.

COMMITTEE HIGHLIGHTS

NOMINATION COMMITTEE

- Review of skills, experience and diversity on the Board.
- Appointment of Nayantara Bali and Sarah Kuijlaars as Non-Executive Directors.
- Monitored Board members' independence and other commitments to avoid overboarding.

CSR COMMITTEE

- Oversight of the Group's Responsible Business plan.
- Approved the Driving What Matters plan.
- Reviewed and approved the Group's climate change risks and opportunities.
- Agreed the scope 1 and scope 2 science-based emissions reduction targets.
- CSR Committee Chair attended employee townhalls and chaired employee forum on culture.

AUDIT COMMITTEE

- Reviewed the Group's enterprise risk management system.
- Reviewed the Group's climate change risks TCFD disclosure plan.
- Bi-annual review of the global cyber security plan and monitoring progress against improvement plan.
- Review of the Global Business Services transformation programme.

REMUNERATION COMMITTEE

- Set executive and senior management bonus targets and approved the grant of long-term incentives for 2021.
- Approved salary increases for Executive Directors, Group Executive Team and wider workforce employees.
- Approved remuneration package for newly appointed Group Executive Team members.
- Remuneration Committee Chair hosted an employee forum on reward.

BOARD SKILLS MATRIX

The Board recognises the importance of the right mix of skills, experience and diversity to deliver the Group's strategic objectives and contribute towards long-term success.

DEVELOPMENT OF BOARD SKILLS PROFILE

The review of skills and experience on the Board provides input into the Board's succession planning process. As the digital transformation of the automotive industry continues, the Board has focused on increasing the digital skillset on the Board.

BOARD OF DIRECTORS

The Board is collectively responsible for agreeing and continually reviewing the Accelerate strategy to ensure that it delivers long-term sustainable success. The Board is also responsible for ensuring that the appropriate resources are in place to deliver the strategic objectives.

NIGEL STEIN
CHAIRMAN

Appointed – October 2015

Skills and experience – Nigel was Chief Executive of GKN plc until his retirement in December 2017. He has a wide range of international, general management and finance experience gained in various roles at GKN plc and also has experience in the automotive and manufacturing sectors. Nigel is also a Non-Executive Director of James Hardie Industries plc and is a chartered accountant.

Committee membership – Chair of the Nomination Committee and member of the Remuneration and CSR Committees.

DUNCAN TAIT
CHIEF EXECUTIVE OFFICER

Appointed – July 2020

Skills and experience – Duncan was on the Board of Fujitsu Ltd, a global technology services company with responsibility for EMEIA & Americas, a business with $10bn turnover and 35,000 people. He has significant international experience, holding senior roles at Unisys, Hewlett Packard and Compaq in a technology focused career of over 30 years.

Other appointments – Duncan is also a Non-Executive Director at Agilisys.

GIJSBERT DE ZOETEN
CHIEF FINANCIAL OFFICER

Appointed – August 2019

Skills and experience – Gijsbert was CFO at LeasePlan Corporation NV, the international fleet management and mobility services company.

Previously, Gijsbert has held a range of senior financial and operational roles at Unilever plc over 27 years, including his six-year position as the CFO of Unilever Europe.

Other appointments – Gijsbert is also a member of the supervisory board of Technical University Delft.

JERRY BUHLMANN
SENIOR INDEPENDENT DIRECTOR

Appointed – March 2017

Skills and experience – Jerry has over 30 years' experience in the media and advertising industries. He was formerly CEO of Dentsu Aegis Network and Aegis Group plc.

Jerry is Non-Executive Chair of Croud and Hybrid Ltd, Non-Executive Director of Serviceplan Group and Tulchan Limited, and Senior Advisor for OC&C's TMT Practice.

Committee membership – Audit, Remuneration, CSR and Nomination Committees.

ALEX JENSEN
NON-EXECUTIVE DIRECTOR

Appointed – January 2020

Skills and experience – Alex was CEO Mobility and Convenience, Europe and Southern Africa at bp plc. She led the region's fleet, retail and convenience food business across 14 countries. Alex joined bp plc in 1991 and held roles based in the UK and China. She graduated from Oxford University with a degree in Chinese, holds a Masters from Stanford and is on the Board of the charity Mind.

Committee membership – Chair of the CSR Committee and member of the Nomination Committee.

JANE KINGSTON
NON-EXECUTIVE DIRECTOR

Appointed – July 2018

Skills and experience – Jane served as Group Human Resources Director for Compass Group plc from 2006 until her retirement in 2016. Jane also held senior positions at Enodis plc, Blue Circle plc (now Lafarge SA) and Coats Viyella plc. Jane has significant remuneration experience and is Remuneration Committee Chair of Spirax-Sarco Engineering plc.

Committee membership – Chair of Remuneration Committee and member of Audit and Nomination Committees.

JOHN LANGSTON
NON-EXECUTIVE DIRECTOR

Appointed – August 2013

Skills and experience – John has corporate finance, accounting and international experience acquired in senior financial roles in the engineering sector. He is an experienced Non-Executive Director who has a strong governance background and was the Audit Committee Chair of Rexam plc until its sale to Ball Group in 2016.

John is a chartered accountant.

Committee membership – Chair of Audit Committee and member of Nomination Committee.

TILL VESTRING
NON-EXECUTIVE DIRECTOR

Appointed – September 2011

Skills and experience – Till is an Advisory Partner with Bain & Co, based in Singapore. He has extensive experience advising multinationals on growth strategy across Asia and leading Asian companies on strategy, M&A and organisation. Till is also a Non-Executive Director of Keppel Corporation.

Committee membership – CSR, Remuneration and Nomination Committees.

NAYANTARA BALI
NON-EXECUTIVE DIRECTOR

Appointed – May 2021

Skills and experience – Nayantara is director and co-owner of ANV Consulting Pte. She previously held several senior management positions in Procter & Gamble. Nayantara holds a Bachelor of Arts in Economics and a Post Graduate Diploma in Business Management from the Indian Institute of Management (Ahmedabad).

Nayantara is an independent director of Torrent Pharma, and a Non-Executive Director of Starhub.

Committee membership – CSR and Nomination Committees.

PRINCIPAL DECISIONS IN 2021

Accelerate Strategy
The Board spent time debating the five-year plan required to deliver the Accelerate strategy. The Board's discussions focused on industry and macro trends which create both risks and opportunities for the Group, the underlying assumptions used to drive growth, and the strategic initiatives which contribute to the strategic ambition.

The Board were fully informed of stakeholder considerations and impacts by both management and external consultants. Key considerations included:

- Customer expectations and the move to online;
- Electrification which is a fundamental component of our original equipment manufacturer (OEM) brand partners agenda and other connected, autonomous, shared, electric elements which will have an impact on our suppliers in the longer term;
- The culture and capabilities needed to deliver the strategic ambition and how this will impact our colleagues; and
- How the strategy will be delivered sustainably and how the business will contribute towards a cleaner energy world.

The Board approved the strategic framework in May 2021 with the global strategy launch in September 2021.

Responsible Business
The Driving What Matters plan was developed alongside the Accelerate strategy and underpins the Group's purpose. During the year the Board, along with the CSR Committee, discussed the strategic priorities of the plan, and how these activities create value by supporting Accelerate.

The Board were able to give consideration to the impact on stakeholders by reviewing the 'Discovery Report' which was commissioned to get an understanding of OEM ambitions, customer expectations, the employee experience and the requirements of shareholders and other regulatory bodies.

The four strategic pillar approach built on People, Places, Planet and Practices was endorsed by the Board and the CSR Committee, with four global workstreams established to identify key priorities and targets. Each workstream has developed a charter to tackle the sustainability challenges facing business, our society, and our planet.

Global Business Services
During the year, the Board approved the establishment of a Global Business Services organisation (GBS). The implementation of GBS is necessary to transform the way the finance functions work, standardise and consolidate core accounting processes, add additional controls and introduce a platform that supports rapid M&A integration, which are key features of the strategic enabler to create efficient scale operations.

The Board considered the GBS business case which included the identification of the preferred solution, the vendor selection process and the GBS solution design. When regarding the impact to stakeholders, the Board largely considered these impacts to be positive for OEMs, customers and suppliers, due to the increased efficiency of processes and for shareholders, with increased value in the longer-term. However, it was clear to the Board that there could be negative impacts on employees whose jobs are affected by the transition to GBS. The Board reviewed the detailed transition plan and risk mitigation approach to ensure business continuity.

Throughout the transition, a two-way communications and ongoing engagement plan was put in place. A key principle was to actively listen to, and act on, feedback from colleagues throughout all phases and to support the various market finance teams across all regions. The strategy recognised the need to provide multiple communication channels to suit every audience, such as meetings, round table events, leadership communications, forums and videos, embracing the latest digital technology where possible. Every effort to ensure that colleagues involved in the changes, and especially those whose employment was impacted by the transition, were to be treated fairly, consistent with the Group's values, and in accordance with local employment law. The engagement programme resulted in a high retention rate throughout the first phases of the project. The Board also agreed that the Internal Audit team would carry out a GBS Programme Assurance review to give assurance over the robustness of overall governance, project delivery, people and change management, cost monitoring and risk management. The Audit Committee reviewed the internal audit reports during the year.

Despite these challenges, the Board and management believe that transitioning to a GBS organisation provides a competitive advantage for the long-term.

Business Development
A key element of the Accelerate strategy is the growth opportunities through M&A. During the year, the Board approved several new acquisitions including distribution in Indonesia, Daimler distribution in Guatemala, a partnership with Geely in Chile, and acquisition of ITC and Simpsons Motors in the Caribbean. Building and maintaining strong OEM relationships is critical to the Group's growth strategy and continuous engagement via top to top and regional meetings with OEM partners allows opportunities to be explored. For each transaction, the Board received detailed reports from the M&A team, and external consultants covering areas such as:

- Economic outlook;
- Market and reputational risks;
- Climate related ambitions for both OEM and market;
- Brand performance;
- Strategic rationale; and
- Business integration plans.

These reports allow the Board to make considered judgements on the impact to stakeholders. When considering acquisitions the Board pays particular attention to the OEM relationship, employees whose roles will be affected by the changes, the culture and reputation of the business being acquired and the communities in which the OEMs operate. In relation to the recent acquisitions, the Board weighed up the OEM's stated ambition for transitioning to EV, the CO_2 emissions plans, the current and future infrastructure expectations, and the regulatory direction within each market.

In April 2021, the Board agreed the disposal of its retail operations in St Petersburg. This decision is aligned with the Group's strategy to focus on global distribution ambitions. During the process, management engaged with the OEM brand partners who confirmed their understanding of the strategic rationale and gave their support for the transaction. The Board also considers the impact on employees and whether they will be treated fairly under new ownership.

PROGRESS FROM 2020 BOARD EVALUATION

Board	The Board made sure that it had sufficient time to focus on the refreshed strategy and its oversight of purpose by scheduling time to review at the January, February, May, and November meetings. The Board increased its awareness of the broader environmental, social, and governance (ESG) agenda during the year and formally incorporated ESG considerations into its decisions on strategy, risk and performance. Oversight of climate related impacts will be considered at least annually with regular updates provided throughout the year by the CSR Committee. Strategic Report pages 2 to 56. Responsible Business Report page 33.
CSR Committee	The Committee determined its scope and remit and re-defined its terms of reference to ensure appropriate oversight of the Responsible Business agenda. Workforce engagement was improved with the designated Non-Executive Director attending employee townhalls and facilitating an employee forum on Culture. Climate change reporting was added to the agenda with external consultants providing an overview of the impacts to the business and what actions are needed to enable the Group to meet its reporting obligations. Responsible Business Report page 33. CSR Committee Report on page 82.
Nomination Committee	The Committee continued to focus on diversity both at Board level and throughout the organisation. The composition of the Board remained a priority with the appointment of two Non-Executive Directors. Nomination Committee Report on page 75.

OUTCOME OF 2021 EVALUATION

A evaluation of the Board is carried out each year with an external review every third year. In 2020, the Board evaluation was an external review consisting of interviews with the members of the Board, Group Executive Team, external auditor and remuneration consultants, as well as Board and Committee meetings being observed. Progress made from the outcome of the 2020 evaluation is reported above.

The internal Board evaluation in 2021 consisted of an online questionnaire for each Board member to complete. anonymously. The questionnaire covered strategy, knowledge and contribution, succession planning, risk management, workforce culture, and committee effectiveness. The Directors were invited to give further comment when answering the questions to provide additional insight into the effectiveness of the Board. The results of the questionnaire were collated into a report which was then discussed at a Board meeting to agree outcomes to focus on in 2022.

The overall impression from this evaluation is that the Board is one of unity and respect, which functions well. The Board feels there is sufficient engagement with stakeholders to be comfortable of a rounded view and that the current strategy has an appropriate balance between short and long-term success. The Board's considerations on the impact on ESG matters when making decisions has increased in importance and will be further integrated into decision making in 2022.

Board members feel that their experience and contributions are valued and welcomed. Unanimous agreement was given to the open communication both within Board meetings and between Board members and senior management, particularly during the volatile Covid-19 climate, enabling an optimal collaborative and constructive environment. This transparency results in the ability to challenge and support decisions leading to quality discussion where everyone has the opportunity to express themselves.

The Board feels that there is the right level of focus on succession and diversity, with good progress made on identifying and developing future talent. There needs to be a continued focus on enhancing representation of minority diversity groups in senior management to ensure the Company is leading in best practice. Clearer criteria for assessing potential successors is desired ahead of future Board appointments where a sound understanding of the automotive industry and use of digital and technology data is seen as important. Being a global company, over time it will be important to build a balance of UK and non-UK Directors to enhance foreign market representation.

Overall the Board is satisfied with the risk management processes and believe that these are effective and functioning well. Whilst progress with technology usage has excelled, care needs to be taken when evaluating digital risks as this is an evolving area of the business and it is imperative that the Company is well positioned to adapt to such changes.

On culture and workforce engagement, it is viewed that the Company deals with any breaches of rules and conduct sufficiently and that the increase of workforce engagement on wider Company issues has proved insightful and will develop further as time progresses.

The assessment showed that there is a solid platform of competences, however, there is still a strive for continuous development by the directors. Areas of improvement to be built upon throughout 2022 include:

- Improved Board training/induction with greater emphasis on the industry and regulatory environment;
- Greater focus on ethnic diversity at senior management level;
- Review of succession criteria to enable more focused assessment of candidates;
- Seek further Board representation of global operations/ regional markets; and
- Continued focus on ESG issues and ensuring they are sufficiently considered during Board decision making.

FOCUS ON CULTURE

The cultural tone within the Group guides employee decision making and interactions. It is important to the Board that an open, honest and inclusive culture is in place to encourage employees to make a positive contribution to achieve the Company's purpose.

With the global launch of the Accelerate strategy in 2021, the Board also approved a refreshed Code of Conduct. The benefits of the Code include:

- **Behaviour:** sets out desired behaviours;
- **Risk Mitigation:** in event of misconduct/wrongdoing;
- **Central guide and reference:** supports day-to-day decision making;
- **Ethical dilemmas:** empowers employees to handle ethical dilemmas; and
- **Reference point:** for locating relevant services and other resources related to ethics within the Group.

The Board has further agreed a set of key performance indicators (KPIs) to monitor compliance:

- **Roll-out of new Code** – 95% compliance by year-end 2021;
- **New joiners** – training completed within first four weeks of joining;
- **Awareness** – senior leaders to confirm on an annual basis, that they, and their team members, are aware of the Code; and
- **Ongoing training** – current employees to complete training every two years.

The Board also approved policy statements in respect of anti-bribery and corruption, competition, anti-money laundering, and data protection and privacy which demonstrate the Group's approach to compliance, provides transparency for stakeholders and clear guidance for colleagues, is drafted in line with Accelerate strategy and Company purpose and the Board's defined risk appetite.

The Board monitors and assesses the indicators culture throughout the organisation via:

- Regular meetings with management both as part of the Board's annual agenda and one-to-ones with key senior leaders;
- Reviewing the outcome of the employee engagement survey (EES);
- Reviewing People and Capability metrics including voluntary turnover, leadership development programmes, employee assistance programme, code of conduct compliance, and health and safety statistics;
- Whistleblowing reports and follow up actions;
- Promptness of payments to suppliers; and
- Independent assurance via external advisors.

Through reviewing compliance with the Code of Conduct, reports on the indicators of culture listed above, and from feedback from employee forums, the Board is satisfied that the Company's culture is aligned with its purpose, values and strategy and no corrective action has been taken during 2021.

ONE INCHCAPE VALUES & BEHAVIOURS

The new values framework was developed during 2021, and rolled out in January 2022, to support the delivery of Accelerate and the achievement of the Company's purpose. An evolution of the previous Drive5 framework, the new One Inchcape Values & Behaviours was introduced following several culture workshops, results of the EES, and a review of brand and OEM offering which was supported by analysis from external consultants.

Aligned to the Accelerate strategy, the One Inchcape Values and Behaviours are:

- **We deliver;**
- **Great experiences;**
- **Fresh thinking;** and
- **Better together.**

These Values & Behaviours are to be used as a guide for everyone in Inchcape, across all levels and locations of our organisation, to drive business performance by improving how we do things. The intention is to build them into how we work and how we recognise great performance. By doing this, we will continue to lead our industry and make Inchcape a stronger and more rewarding place to work.

THE ONE INCHCAPE VALUES & BEHAVIOURS

We deliver | Great experiences | Fresh thinking | Better together

We deliver great experiences through fresh thinking and working better together

EMPLOYEE CULTURE FORUM

In January 2022, Alex Jensen hosted an employee forum focusing on culture. The forum was attended by employees from across the UK, Europe, Africa and the Americas. The attendees were from a broad range of backgrounds and functions, with length of service spanning 28 years with the business to newly appointed employees who have been with the business for a few months. Alex Jensen, in her role as Chair of the CSR Committee and designated Non-Executive Director (under Provision 5 of the UK Corporate Governance Code), facilitated the meeting and updated the Board on the views of the workforce.

The forum consisted of interactive questions and discussions followed by a Q&A session and covered topics such as:

- What words come to mind when you think of our company's culture?
- What are your thoughts on the new company values?

The feedback obtained from colleagues was overwhelmingly positive, with many commenting on how initiatives such as these are a good reminder that they work for a global company representing many brands. As an outcome of the forum, it was agreed that the subject matters to be discussed at employee forums would be chosen by the employees so they represent matters which are truly important to them. The attendees also gave their input on the new values before they were rolled out across the Group, which they described as clear, modern, aspiring and aligned to Accelerate.

NOMINATION COMMITTEE REPORT

NIGEL STEIN
CHAIR

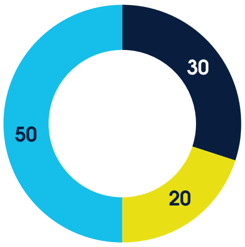
MEMBERSHIP

	Number of meetings held/ attendance	Ad hoc meetings held/ attended
Nigel Stein (Chair)	2/2	2/2
Jerry Buhlmann	2/2	2/2
Nayantara Bali*	1/1	0/0
Rachel Empey**	1/1	1/1
Alex Jensen	2/2	2/2
Jane Kingston	2/2	1/1
John Langston	2/2	2/2
Till Vestring	2/2	2/2

* Nayantara Bali joined the Group in May 2021.
** Rachel Empey left the Group on 30 April 2021.

The Committee's terms of reference can be found at www.inchcape.com/governance.

ALLOCATION OF TIME SPENT (%)



DEAR SHAREHOLDER

I am pleased to present the report of the Nomination Committee for the year ended 31 December 2021 which aims to set out how we have discharged our duties during the year.

Board composition and succession planning continues to be the main focus of the Committee. 2021 saw several changes, with the appointment of Nayantara Bali and the departure of Rachel Empey.

Nayantara Bali joined the Board following the AGM in May 2021 and is co-owner and director of ANV Consulting, a boutique management consultancy specialising in leveraging data analytics, Prior to this, Nayantara was with Procter & Gamble for over 28 years holding several senior regional and global positions based in Singapore, Thailand, and India.

Rachel Empey left the Board in April 2021 to join the supervisory board of BMW Group in Germany and I would like to thank her for the strong contribution she made to the Board over the past five years. We began the recruitment process to find a successor during 2021 and had a clear idea of the skills and attributes required to support the achievement of the strategic goals in the short and longer-term.

Following a rigorous search process, I am delighted that Sarah Kuijlaars joined the Board as a Non-Executive Director in January 2022. Sarah is currently Chief Financial Officer and Executive Director of De Beers plc and was previously a Non-Executive Director at Aggreko plc. Sarah was also previously CFO of Arcadis NV, deputy CFO at Rolls-Royce Holdings plc, and has held a number of senior financial leadership roles during a 25-year career at Royal Dutch Shell plc. Sarah's extensive financial and international experience will both strengthen and complement the existing Board's skill set.

Till Vestring completed nine years' service in 2020, however, agreed to remain on the Board to assist with the recruitment of Nayantara Bali, and to provide additional support for Ruslan Kinebas who assumed the role of CEO APAC in April 2021. As we were unable to travel for the majority of 2021, Till's support in the recruitment process and the onboarding of Nayantara has been invaluable as they are both based in Singapore. Till will remain a member of the Board before he intends to step down at the 2022 AGM.

NIGEL STEIN
CHAIR OF THE NOMINATION COMMITTEE

DIRECTOR INDEPENDENCE

Provision 10 of the Code sets outs circumstances which "which are likely to impair, or could appear to impair" a director's independence. During 2021, Till did not:

- Act as employee of the Group within the last five years;
- Have a material business relationship with the Group within the last three years;
- Receive additional remuneration from the Company (apart from his basic remuneration);
- Participate in the Company's share option or performance-related pay schemes;
- Become a member of the Company's pension scheme;

- Have close family ties with any of the Company's advisers, directors or senior employees;
- Hold cross-directorships or have significant links with other directors through involvement in other companies or bodies;
- Represent a significant shareholder; or
- Chair any Committee meeting.

There were no agreements or relationships which could compromise Till's ability to hold management to account. By serving the Board whilst we looked to appoint two new Non-Executive Directors – which has since taken place – Till's continued service was in the best interests of the Company and its stakeholders. The Committee is satisfied that despite having over nine years' service, Till continues to demonstrate independent character, judgement and objectivity, and Till's continued service has not impaired his independence.

The Board ensures, through the Nomination Committee, that Board composition is kept under review, that appropriate succession plans are in place, that the independence of Non-Executive Directors is not compromised and that they have the time and resources necessary to devote to the role.

SKILLS, EXPERIENCE AND DIVERSITY

The Committee recognises the importance of the right mix of skills, experience and diversity to deliver the Accelerate strategy. With digital, data, analytics and cyber security as key enablers for Distribution Excellence and the acceleration of omni-channel, this remains a key skill area for the Board. Experience and knowledge were strengthened during the year with the appointment of Nayantara Bali who also brings international experience.

During the year the Committee:

- Carried out a review of skills, experience and diversity;
- Reviewed the length of service and re-appointment following three-year term;
- Assessed the Non-Executive Directors' independence;
- Recommended election and re-election at the AGM; and
- Approved the policy on multi-board appointments.

SUCCESSION PLANNING

When considering succession planning, the Committee looks at length of service in addition to the required skills and experience. It is usual practice for Non-Executives to complete nine years' service and the succession planning process takes this into account to ensure the continual refreshment of the Board. However, a director may resign before they have completed nine years' service. In these circumstances, a long-list of potential candidates is continually kept up to date so the appointment process can begin immediately to fill vacancies as they arise.

During the year the Committee recommended the appointment of Nayantara Bali to the Board for approval and continued the search for a Non-Executive Director to fill the current vacancy.

The performance of the Group Executive Team is considered by the Board as a whole during the annual organisational health check and the Non-Executive Directors discuss succession planning for senior leadership during the year without the presence of executive management. There were several changes to the executive team, including internal moves and external hires, during 2021. George Ashford assumed the role of temporary CEO of the UK business and Romeo Lacerda was appointed as CEO of Americas & Africa.

APPOINTMENT PROCESS

An external recruitment consultant is appointed to assist with the recruitment of directors. The Chairman will develop an appropriate job specification, and set out any other desirable attributes, and agree a long-list of potential candidates with the consultant. From this, a short-list is agreed, and the interview process begins. Potential candidates meet with the Chairman, Senior Independent Director and other Board members. Once a preferred candidate has been identified, the Committee makes its recommendation to the Board for approval. During the recruitment process a comprehensive assessment is carried out to evaluate each candidate's capability, strengths and personal attributes needed to complement and enhance the skills, experience and knowledge of the Board members.

Korn Ferry was appointed to assist with the recruitment of Nayantara Bali and Odgers Berndtson was appointed to assist with the recruitment of Sarah Kuijlaars. Korn Ferry and Odgers Berndtson are signatories of the Voluntary Code of Conduct for Executive Search Firms and neither firm has any other connection to the Company or any individual director.

DIVERSITY POLICY STATEMENT

We value diversity in the broadest sense, including but not limited to, gender, race, social and ethnic backgrounds, skills, industry experience, professional and educational backgrounds. We believe increasing diversity adds fresh perspectives which enrich our decision making and the aim of the policy is to reflect this ethos. The Board's policy on diversity is a verbally agreed principles-based policy. The importance of Board diversity is clearly understood by our recruitment consultants and is built into the process of succession planning and external hires. We continue to consider all aspects of diversity in our nomination process while also appointing candidates with the skills and experience that are necessary for the continuing growth of our operations.

The Board remains dedicated to meeting recommendations set-out in the Hampton-Alexander and Parker reviews and has an overall ambition of achieving gender parity and greater representation of diverse ethnic backgrounds over time.

With the appointment of Nayantara Bali in May 2021 and Sarah Kuijlaars in January 2022 , the Board has 40% female representation and 10% diverse ethnic representation therefore has exceeded the minimum diversity requirements of both the Hampton-Alexander and Parker reviews.

The Board's philosophy on diversity is also reflected throughout Inchcape and the business has continued to strive for increased diversity of all identities, backgrounds and experiences across its workforce and is building a more inclusive environment where everyone believes they can belong, be themselves and succeed. For more information on workforce inclusion and diversity see page 35.

AUDIT COMMITTEE REPORT

JOHN LANGSTON
CHAIR

MEMBERSHIP

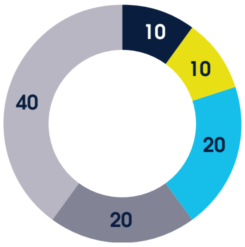
	Number of meetings held/ attendance	Ad hoc meetings held/ attendance
John Langston (Chair)	4/4	1/1
Jerry Buhlmann**	4/4	0/1
Rachel Empey*	1/1	1/1
Jane Kingston*	3/3	0/0

* Jane Kingston joined the Committee in May 2021 following the departure of Rachel Empey on 30 April 2021.

** Jerry Buhlmann was unable to attend the additional meeting due to a prior engagement.

The Committee's terms of reference can be found at www.inchcape.com/governance.

ALLOCATION OF TIME SPENT (%)



DEAR SHAREHOLDER

I am pleased to present the Audit Committee Report for the year ended 31 December 2021. The aim of this report is to provide an overview of how the Committee has discharged its responsibilities during the year and to highlight the significant issues considered by the Committee.

CLIMATE CHANGE

Tackling the impacts of climate change is critical for UK companies and the Committee spent time during the year reviewing the direct consequences using best estimates, both positive and negative, of climate change in so far as it relates to impairment. A preliminary risk assessment was carried out ahead of the broader project to calculate risks and opportunities. Further details can be found in the TCFD report on pages 40 to 44.

The Committee spent time reviewing the electric vehicle (EV) impact on going concern and viability assessments, specific analysis of goodwill and distribution assets in markets with a lower EV offering and/or infrastructure and the impact of the transition to EVs on aftersales. The Committee also considered the incorporation of climate risks into the risk management process. Further details are given on page 50.

CYBER SECURITY

Following the appointment of a Chief Information Security Officer in 2021, the Committee approved a three-year cyber security plan and a target to improve the Group's National Institute of Standards and Technology (NIST) cyber security benchmarking assessment. The Committee reviewed the progress made against the plan, any cyber incidents or near misses, the remediation plans in place and approved the cyber security programme for 2022. The Committee will monitor the cybersecurity programme on a six-monthly basis.

GLOBAL BUSINESS SERVICES

As detailed on page 72, the Group commenced a major finance transformation programme during the year. The Internal Audit team carried out a GBS Programme Assurance review reporting to the Committee on its findings and key recommendations. The Committee challenged the management team on the control gaps identified and sought the views of the external auditor on the programme, and was satisfied that management have taken swift action to start remediating the actions arising from the internal audit report. The Committee will continue to monitor the programme to ensure the risks are being appropriately managed.

CORPORATE REFORM

During the year the Committee received briefings on the proposed changes to the regulatory framework and how these could impact the Audit Committee and Board. As yet, the Government have not confirmed which changes will be put in place; however, a steering group has been formed to manage any new frameworks for the financial reporting control environment.

JOHN LANGSTON
CHAIR OF THE AUDIT COMMITTEE

SIGNIFICANT ISSUES CONSIDERED BY THE COMMITTEE DURING THE YEAR

Impairment – see note 11 to 13 on pages 153 to 160

Impairment reviews are carried out annually in respect of goodwill and indefinite life assets, and if there is an indicator of impairment, reviews are carried out on a more frequent basis. In addition, other intangible assets, property, plant and equipment, including site assets, and right-of-use assets are reviewed for impairment if events or circumstances indicate that the carrying value may not be recoverable. This is a judgemental process which requires assessing whether there is an indicator of impairment, estimating future cash flows based on future business prospects, determining long-term growth rates and discount rates. It is the Committee's view that management's approach to impairment is robust, based on reliable supporting data supplied by external sources, and with appropriate challenge from the external auditor. The Audit Committee focused on the following aspects of the impairment:

- The Committee debated the cash flow projections used to calculate the value in use, considering whether these reflect a reasonable expectation of future performance;
- The Committee considered how management had determined the discount rates and long-term growth rates;
- The Committee discussed the impact of climate change, including electrification on impairment and the impact of electric vehicles on aftersales;
- The Committee assessed the reliability of data provided by external advisors and independent specialists used in key assumptions; and
- The Committee also discussed the appropriateness of the disclosures to be made in the Annual Report to satisfy itself that they provided users of the financial statements with sufficient information to understand the judgements made by the Group.

After considering all available information and reviewing the findings and supporting evidence from Deloitte LLP, the Committee concluded that management's impairment reviews of non-financial assets were appropriate and that a net impairment credit of £0.6m relating to goodwill, indefinite-life intangible assets, property, plant and equipment and right-of-use assets should be recognised for the financial year ending 31 December 2021.

Software as a service – see note 35 on page 185

The IFRS Interpretations Committee (IFRS IC) recently issued two agenda decisions on cloud computing arrangements: one in 2019 which considered whether a customer received a software asset at the start of a contract or received a service over the term of the contract; and the second in 2021 considered how a customer should account for configuration or customisation costs when an intangible asset is not recognised – that is, where the customer receives a service over the term of the contract. Although the IFRS IC agenda decisions have not resulted in either a new standard, an amendment to an existing standard or a new interpretation, they do provide guidance/clarification as to how existing standards should be interpreted/applied and the IFRS IC has noted that agenda decisions may result in a change in accounting policy. The Audit Committee considered the key judgements needed to be made as part of the assessment, the conclusions reached and the corresponding consequences for the Group. The Committee considered:

- The IFRIC guidance;
- The assessment of asset or service contract;
- Accounting treatment of costs of configuration and customisation;
- Changes in accounting policy;
- The impact of the guidance on plans to migrate the Group's existing ERP applications to a cloud-based solution;
- The financial statement implications from a change in accounting policy; and
- The resulting statutory accounting, transfer pricing and tax implications of the Group accounting outcome.

The Audit Committee is of the view that management's assessment of the Group's software applications, and whether they should be regarded as an asset or a service is appropriate. The Audit Committee sought assurance from Deloitte LLP that they concur with this approach. The Audit Committee will keep software as a service under review as guidance and best practice develop in this area.

Indefinite life of assets – see note 11 on pages 153 to 156

The Group's principal intangible assets, recognised on the Group balance sheet, are distribution agreements with manufacturers acquired as part of a business combination. A value has been attributed to those distribution agreements on acquisition in accordance with IFRS 3, Business Combinations. The Group's policy is to assign these assets an indefinite useful life in accordance with IAS 38, Intangible Assets. The Audit Committee considered whether it is appropriate to continue to assign an indefinite useful economic life to these assets, based on the current events and circumstances of the Group and our relationships with the relevant OEMs and whether they still support the assumption of an indefinite life. The Committee considered:

- The expected usage of the distribution agreements by the Group and whether it could be managed efficiently by another management team;
- Typical lifecycles for similar agreements and public information on estimates of useful lives of similar assets that are used in a similar way;
- The stability of the automotive industry and the relevant brand partners and changes in the market demand for the products or services covered by the agreements; and
- The period of control over the agreement and legal or similar limits on their use.

The Audit Committee concluded that the assignment of an indefinite useful life to the Group's distribution agreements is appropriate as per the requirements set out in IAS 38.

STRUCTURE OF THE COMMITTEE

Jane Kingston joined the Audit Committee during the year following the departure of Rachel Empey, whilst the search for a new Non-Executive Director commenced. Jane will step down from the Committee following the successful appointment of Sarah Kuijlaars as announced in January 2022. Sarah joined the Audit Committee upon appointment to the Board. Sarah is currently CFO of De Beers and has held several senior finance positions during her career. Sarah's extensive financial and international experience will both complement and strengthen the Committee.

John Langston is a qualified chartered accountant and Sarah Kuijlaars is a Fellow of the Chartered Institute of Management Accountants. Both are considered to have recent and relevant financial experience. In addition, the Committee as a whole has competence in the sector in which the Company operates.

Only members of the Committee are entitled to attend Committee meetings. However, the Chairman, Group Chief Executive Officer, Chief Financial Officer, Group Financial Controller and Group Head of Internal Audit attend the Committee meetings along with the external auditor. Other senior executives, such as the Group Tax Director and Group General Counsel, attend during the year to present to the Committee.

FINANCIAL REPORTING

The role of the Committee in relation to financial reporting is to review with both management and the external auditor the appropriateness of the half year and annual financial statements, taking into account:

- The quality and acceptability of accounting policies and practices;
- Material areas in which significant judgements have been applied or where significant issues have been discussed with the external auditor;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements including the Code;
- Any correspondence from regulators in relation to the Group's financial reporting; and
- Reviewing assumptions and providing assurance to support the long-term viability statement.

FAIR, BALANCED AND UNDERSTANDABLE

The Audit Committee also carries out its own assessment of the financial statements, and the Annual Report as a whole, and is satisfied that it provides the necessary information for shareholders. The Committee considered whether the information given in the financial statements is a true reflection of the narrative reporting throughout the Annual Report and Accounts, whether the key performance indicators give a true indication of the health of the business and if the issues considered of significant risk by both the external auditor and the Committee are aligned.

The processes and procedures in place to satisfy the Board of the integrity of the financial and narrative statements include a robust disclosure verification process, monthly financial performance updates, and meetings with the internal and external audit functions without the presence of management.

A statement of the Directors' responsibilities is set out on pages 104 to 108, going concern statement is set out on page 125 and the strategy and business model are set out on pages 2 to 5.

During the year the Committee:

- Considered all key audit issues, accounting treatment and judgements in relation to the financial statements;
- Where risks were identified, either in relation to processes, key transactions or employees the Board undertook a deeper review of matters, challenging management to improve the control environment and tighten processes;
- Challenged management on the assumptions used and the judgements that have been applied, with assurances given from both external and internal sources; and
- Assessed whether the Annual Report and Accounts were fair, balanced and understandable.

RISK MANAGEMENT

The Audit Committee has delegated responsibility for ensuring that:

- There is an appropriate mechanism in place to identify the risks the Group faces;
- Management teams have the correct focus on those risks and the action plans in place to mitigate or respond to those risks;
- A compliance programme is in place in all markets that meets or exceeds external benchmarks and is appropriate in terms of legal requirements, content, sector, cost and resources;
- Internal controls are appropriate, well designed and operating consistently across the Group to manage risk effectively; and
- The Group's whistleblowing programme is appropriately managed to reduce the risk of fraud or respond quickly and decisively in the event the Group falls victim to fraud.

Reports are provided at each meeting, detailing the risk environment to allow the Committee to monitor and assess the effectiveness of the Group's risk management approach.

During the year the Committee:

- Monitored the principal and emerging risks;
- Assessed the appropriateness of the risk management framework and carried out a robust assessment of principal risks;
- Monitored the emerging risks and the process used to identify them;
- Reviewed the risk profile and any changes to the risks;
- Climate-related risks and the TCFD reporting recommendations; and
- Major whistleblowing reports and any mitigating plans implemented by management.

INTERNAL CONTROL

The Internal Control framework encompasses all controls including those relating to financial reporting processes, preparation of consolidated Group accounts, operational and compliance controls and risk management processes.

InControl Standards

The InControl Standards (ICS) are designed to enable management to establish, assess and enhance strong and consistent risk and control governance. The framework is regularly reviewed and updated in line with emerging Group risks, in response to emerging internal audit issues, and following any investigation activity.

The standards form part of the broader control environment consisting of:

- Culture and behaviours;
- Code of Conduct;
- Group, regional and local policies and procedures, including legal and regulatory compliance;
- Delegation of authorities;
- Risk management process; and
- Roles and responsibilities.

The ICS has been designed to mitigate the most significant risks across the Group providing robust governance and a sound controls framework to ensure:

- Reliability of financial reporting;
- Effectiveness and efficiency of operations; and
- Compliance with applicable laws and regulations.

They are also there to help protect us from:

- Fraud and misappropriation of cash and assets; and
- Material error in the financial statements.

The central and regional Internal Controls teams support the business by providing the framework, tools and training, and ongoing support to embed the ICS across the business which in turn enables management to monitor the effectiveness of controls in the business and to implement actions plans where improvement is required. The Internal Control function is separate from the Internal Audit function and works with management teams to design controls that are proportionate to the level of risk, supported by systems and easy to follow.

The Audit Committee receives reports from the Group Head of Internal Audit at each meeting covering Internal Audit, Internal Controls and Risk Management. The reports provide an update on the control framework, compliance scores, status of management actions and control gaps. This information enables the Committee to assess the effectiveness of internal controls on an on-going basis. The external auditor also provides an annual report on control improvement recommendations and other observations which allows the Committee to assess effectiveness annually.

The reports are available to all Board members to allow them to keep informed, and other Board members are also able to attend any Committee meetings should they wish. However, the Audit Committee also provides an update on the control and risk environment to the full Board following each Committee meeting.

Any significant control failings or weaknesses are reported to the Board, with a detailed review of the findings and mitigation plans being put in place. The Board monitors progress against plans until it is satisfied that such matters are resolved appropriately. The Board has determined that there were no significant failings or weaknesses identified during the review of risk management and internal control processes during the year and further confirms that these systems were in place during 2021 and to the date of this report. The Board is satisfied that the control environment was materially effective during the course of the year.

WHISTLEBLOWING

The Group Head of Internal Audit reports to the Committee at each meeting on fraud and whistleblowing claims that have been received since the last Audit Committee meeting, and significant currently open issues. The new and open cases which are reported to the Committee are those of sufficient significance to warrant attention, however, a list of all reports is also provided to the Committee along with a breakdown by market, report type and source.

The Audit Committee Chair reports to the Board on any significant issues or resolutions made by the Committee following each meeting. All Directors have full access to the whistleblowing reports and other Audit Committee papers.

During the year the Committee:

- Received updates on cases reported during the year;
- Reviewed themes and trends of reported cases;
- Reviewed the detailed briefings on material cases; and
- Monitored follow-up action plans and resolution.

INTERNAL AUDIT

The aim of the Internal Audit function is to provide independent and objective risk-based assurance for the Group by bringing a systematic and disciplined approach to evaluate the effectiveness of risk management, governance and control. An annual programme of audit activity is approved by the Audit Committee; this is flexed if required throughout the year in accordance with the risk profile of the organisation and any subsequent amendments are discussed in detail and agreed by the Committee.

The function carries out audits across a selection of Group businesses, functions and programmes which include the management of risks and controls over financial, operational, IT and other compliance areas, such as GDPR and anti-bribery and corruption.

The Internal Audit function, led by the Group Head of Internal Audit, consists of appropriately qualified and experienced employees with an in-depth understanding of the business culture, systems, and processes. The Group Head of Internal Audit reports to the Audit Committee and has direct access to, and has regular meetings with, the Audit Committee Chair, prepares formal reports for Audit Committee meetings on the activities and key findings of the function and reports on progress against mitigation plans. The purpose, authority and responsibility of Internal Audit are defined in the Internal Audit Charter, which the Committee reviews annually.

During the year the Committee:

- Approved the 2021 Internal Audit plan;
- Monitored progress against the plan;
- Approved the Internal Audit Charter;
- Reviewed status of open issues; and
- Monitored mitigation plans for any internal control failings.

EXTERNAL AUDIT

Following an audit tender process during 2017, Deloitte LLP was appointed as the Group's auditor with shareholder support for the appointment given at the 2018 Annual General Meeting. Anna Marks is the lead audit partner and has been in position since the appointment of Deloitte LLP.

The Company confirms that it complied with the provisions of the Competition and Markets Authority's Order for the financial year under review.

Auditor effectiveness, independence and objectivity
Ensuring that the external auditor provides a high quality audit is a key activity of the Audit Committee as a high quality audit provides stakeholders with assurance that the financial statements give a true and fair view. The Committee carries out its assessment on an ongoing basis by considering its interactions with the auditor, its observations of the auditor and the relationship between the Audit Committee, the auditor and management.

The Committee encourages a culture of open communication and debate and the Committee believes that it is able to ask questions on key issues and to challenge when it feels more information is needed. The Committee also looks at how management responds to requests from the auditor and carefully reviews the auditor's findings and recommendations.

When the auditor supports management's approach, the Committee considers the evidence supplied by the auditor to support its decision to ensure that the auditor is not compromised and remains objective.

The auditor also meets with the Committee without the presence of management on a regular basis, usually following each meeting. This gives the auditor an opportunity to confirm its view that management are addressing any issues raised appropriately or to raise any concerns they may have.

External evidence of the quality of the audit is also vital in assisting the Committee in its review of the effectiveness of the audit.

FACTORS CONSIDERED TO ASSESS QUALITY OF THE EXTERNAL AUDIT

Mindset and culture
The ethical and professional principles adhered to by the auditor; whether the auditor has any personal or commercial interests in the Group; and how they have demonstrated high standards of independence, integrity, objectivity and challenge throughout the year.

Skills, character and knowledge
The auditing skills of the audit team; level of knowledge of the automotive distribution and retail industry possessed by the audit team; the auditor's understanding of its obligations to users of the financial statements; and ability to challenge where appropriate whilst maintaining strong relationships.

Quality control
The processes the auditor has in place to identify and address risks to the audit and assessing the steps taken to complete the annual audit plan.

Feedback from business
The Committee receive feedback from management on the quality of the auditor's delivery, communication and interaction with the various finance teams across the Group, which is communicated back to the external auditor.

The auditors' report to the Committee sets out the audit plan, materiality, scoping, the risk assessment process, significant risks, other areas of focus, the purpose of the report and responsibility statement. The Committee reviews at each stage of the audit to ensure that it is satisfied that the audit plan is appropriate, if the auditor is meeting its obligations, and to agree any changes to the audit if they arise.

Deloitte continually monitor their independence and ensure that appropriate safeguards are in place including but not limited to the rotation of senior partners and staff and the involvement of other partners and staff to carry out reviews of the work performed and to otherwise advise if necessary.

After considering all of the above elements, the conclusion of the Committee is that the auditor carried out their audit effectively and that the auditor is independent and objective.

During the year the Committee:

- Reviewed the report from the external auditor in relation to the 2020 Annual Report and Accounts;
- Assessed the auditor's approach to, and findings in relation to, the audit to assess independence and objectivity;
- Agreed materiality, scope and fees for the annual audit plan; and
- Received updates on upcoming corporate reform and other regulatory topics.

NON-AUDIT SERVICES

Implementing a Non-Audit Services Policy (Policy) is also key to ensuring the independence of the external auditor. The Policy for non-audit services sets out the permitted and non-permitted non-audit services as well as the approval levels required by the Audit Committee and is designed to ensure that the external auditor's objectivity is not compromised by earning a disproportionate level of fees for non-audit services or by performing work that, by its nature, may compromise the auditor's independence. However, using advisors who have an understanding of the Group's business can be a benefit and the Committee will consider non-audit services supplied on an ongoing basis.

The Group's Policy on non-audit services to be provided by the Group's auditor defines two types of non-audit services that may be performed:

- Regulatory services, which are services undertaken as auditor or reporting accountant which are outside the scope of the statutory audit but which are consistent with the role of statutory auditor; and
- Permitted non-audit services, which are services that the auditor may be permitted to undertake subject to the appropriate level of approval.

The aggregate fees incurred for permitted non-audit services relative to the audit fee should not exceed 70% of the average audit fee over the previous three years, with such cap applicable to both Group and UK audit fees.

The provision of permitted non-audit services will only be approved by the Audit Committee if:

- Engagement of the auditor to provide the services does not impair the independence or objectivity of the external auditor;
- The skills and experience of the external auditor make it the most suitable supplier of the non-audit service;
- The auditor does not have a conflict of interest due to a relationship with another entity; and
- The aggregate fees incurred for permitted non-audit services relative to the audit fee do not exceed 70% of the average audit fee over the previous three years.

Permitted non-audit services above a certain level are approved on a case-by-case basis by the Audit Committee.

The fees for permitted non-audit services relate to the audit of processes for payments and receipts in Russia, local tax audit in El Salvador, review opinion on 2020 financial statements for the Group's Dutch subsidiary, review of the interim financial statements and a turnover certificate in Hong Kong. The Group remains within the Audit Committee approved ratio of audit to non-audit fees.

The following non-audit fees incurred with Deloitte were:

	2021 £'000	2020 £'000
Regulatory services	**–**	25
Permitted non-audit services	**123**	349

The ratio for audit/non-audit work for the year ended 31 December 2021 is 0.03:1. Full details are shown in note 3d of the notes to the financial statements (page 142).

AUDIT FEES PAID TO THE AUDITOR

Fees paid for services provided by Deloitte (three-year average) were:

	2021 £'000	2020 £'000
Audit fees	**3,524**	3,365

CSR COMMITTEE REPORT

ALEX JENSEN
CHAIR

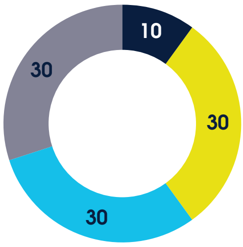
MEMBERSHIP

	Number of meetings held/ attendance
Alex Jensen (Chair)	4/4
Nayantara Bali*	2/2
Jerry Buhlmann	4/4
Nigel Stein	4/4
Duncan Tait	4/4
Till Vestring	4/4

* Nayantara Bali joined in May 2021.

The Committee's terms of reference can be found at www.inchcape.com/governance.

ALLOCATION OF TIME SPENT (%)



DEAR SHAREHOLDER

I am pleased to present the report of the CSR Committee for the year ended 31 December 2021. The aim of this report is to provide an overview of how the Committee has discharged its responsibilities during the year

My first year as Chair has seen enormous progress in the Group's ESG journey, with the implementation of the Driving What Matters plan, a Group-wide project with the assistance of the Carbon Trust to establish the climate-related risks and opportunities which could have an impact on the Accelerate strategy, and the setting of ambitious scope 1 and scope 2 emissions reduction targets.

Excellent progress has been made during 2021, and I would like to thank colleagues for their dedication and hard work in moving the ESG agenda forward. As we look to the future, the Committee will monitor the scope 3 project, as we begin to understand the overall emissions landscape both downstream and upstream.

During 2021, we held the first employee forum on culture. The level of openness and engagement from the attendees and the continued passion and motivation demonstrated is a testament to the healthy corporate culture within the organisation. We plan to have more employee forums during 2022, to enable the Board to hear the views of the Group's employees on a range of topics which are important to them.

Following the Board evaluation in 2020, the Committee spent time during the year discussing its remit beyond the current terms of reference, the interplay with the Board and its other Committees, and how it can enhance the Board's deliberations on ESG matters. As ESG matters become of increasing importance we will work with the Remuneration and Audit Committees to ensure appropriate oversight and will report to the Board on all aspects to aid the Board's decision making process.

ALEX JENSEN
CHAIR OF THE CSR COMMITTEE

DRIVING WHAT MATTERS PLAN

The Plan was developed alongside the Accelerate strategy and underpins the Group's purpose. The focus of each strategic pillar will create a stronger Company, supporting sustainable growth and performance in the future.

Under People, the aim is to have a safe operating environment and an inclusive and diverse culture, with the right talent and skills for future success.

Places focuses on the communities in which Inchcape operates to support road safety and enable more inclusive mobility. It also supports social mobility, initially focusing on career development opportunities for the less privileged in our communities.

The Planet workstream is looking at the Group's impact on the environment, and the impact of climate change on the Group's business model and future viability.

Practices focuses on the ethical culture within the business and how this is understood by employees.

The Driving What Matters plan impacts many areas and the Committee works closely with the other Board committees where there is a crossover of responsibilities.

During the year the Committee:

- Reviewed the framework and activation plan for embedding responsible business into the Group;
- Considered the insights and ideas from the Group's employees on each of the four pillars;
- Reviewed the materiality matrix and stakeholder engagement process; and
- Agreed the priorities and governance structure for the Driving What Matters plan.

The Committee updated its terms of reference to ensure that it has appropriate oversight of the Plan. The terms define the scope and remit of the Committee and are available on the website www.inchcape.com.

CLIMATE CHANGE

Climate change has also been a significant topic for the Committee during the year. Members of the Planet workstream completed a project with the Carbon Trust on the Taskforce on climate related financial disclosures (TCFD).

Following on from the Board's review of climate change risks and opportunities, the Committee carried out a review of stakeholder benchmarking and gap analysis to understand the Group's current position and to identify priority recommendations to improve disclosure, and to agree a pathway of future steps alongside current actions to meet the requirements of the UK's listing rules.

During the year the Committee:

- Determined whether the Responsible Business framework supported, and helped progress, the Accelerate strategy;
- Increased its awareness and knowledge of the TCFD recommendations and climate change issues;
- Agreed expectations for the TCFD programme and what inputs would add value;
- Increase knowledge of science-based targets and understanding of the importance of setting targets for the Group;
- Approved science-based targets for scope 1 and 2, and approved plan for reviewing scope 3 targets in 2022; and
- Agreed goal of putting climate aligned strategy that mitigates risks, capitalises on opportunities and ambitiously reduces the Group's own impacts.

WORKFORCE ENGAGEMENT

As the designated Non-Executive Director for workforce engagement (DNED), I attended several employee townhalls which were held virtually. The townhalls gave me an opportunity to see how employee engagement worked in practice and it was positive to see such a supportive, and transparent forum led by the Group Chief Executive, Duncan Tait. Employees are encouraged to ask any questions on any topics and the responses were detailed and informative.

The role of DNED is relatively new and as such is evolving. We have not been able to have face-to-face meetings so any engagement has been virtual. This has the benefit of being able to reach a wider range of employees but time zone differences have meant that engagement has been split between regions. The Committee, and the Board, however believe this is the most effective mechanism for engaging with the workforce given the structure and spread of the Group's operations.

Obtaining the views of employees is a vital source of insight and information and it is proposed that forums will be held on a regular basis covering a wide range of issues.

In addition to the culture forum detailed below, Jane Kingston also held a reward forum with a group of UK-based employees to get their views on Executive remuneration and the UK reward structure as a whole. Further details can be found on page 85.

CULTURE FORUM

In January 2022, I hosted an employee forum on culture, with the support from the Group Talent and Organisational Design Director.

The Group has undergone a significant amount of change in recent years, with the appointment of a new CEO and CFO since 2019, the implementation of the Accelerate strategy, the fast paced digital advances, including a finance change programme, and the acquisition of various new businesses. All of these can impact a company's culture both positively and negatively so it was felt that an employee forum on culture would give the Board an indication of the current culture and whether that was aligned to Company's purpose. This also coincided with the development of the new values framework and attendees were asked for their input into the 'One Inchcape' values and behaviours. Please see page 74 for further details.

The Board, the Group Executive Team and senior management pride themselves on creating a culture of openness and this was evident during the forum. The attendees were comfortable in expressing their views, both positive and negative, in a constructive manner. The forum consisted of interactive questions followed by open discussion where we discussed a myriad of topics including:

- What words come to mind when you think of Inchcape's culture;
- How leadership performed during the pandemic;
- How wellbeing is considered by senior management;
- Language barriers which arise in a global organisation;
- What career development actually means and how it can be achieved; and
- What is the 'way we do things' at Inchcape.

I update the Board on the forum and any outcomes, to allow additional perspective and insights which are not always clear from the results of employee engagement surveys.

HEALTH & SAFETY

The HSE risk management programmes are in place across all regions with solid improvement across all key performance indicators. A cultural shift is emerging as safety in its broadest meaning becomes more prominent with regular meetings and discussions driving awareness, engagement and ownership. The HSE reporting tool now gives the Committee and the Board oversight of compliance, with regular updates given to the Board throughout the year.

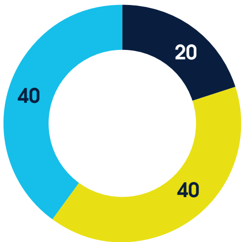
DIRECTORS' REPORT ON REMUNERATION

MEMBERSHIP

	Number of meetings held/ attendance	Ad hoc meetings held/attendance
Jane Kingston (Chair)	3/3	1/1
Jerry Buhlmann	3/3	1/1
Nigel Stein	3/3	1/1
Till Vestring	3/3	1/1

Other regular attendees at meetings at the invitation of the Committee include the Group Chief Executive Officer, Chief Financial Officer, Chief HR Officer, Group Reward and Pensions Director, and the external independent remuneration advisor Ellason LLP.

ALLOCATION OF TIME SPENT (%)



DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present the Directors' Report on Remuneration (DRR) for the year ended 31 December 2021.

2021 presented just as many challenges as we experienced in 2020, with many of our markets impacted by pandemic related restrictions, especially in the first half of the year. However, drawing on all we learnt in 2020, the business has performed remarkably well as we have learned to operate effectively in the continuing uncertainty of the Covid-19 world and throughout 2021 the Company did not furlough any employees.

Where we have seen restrictions, we have found ways to continue to operate to meet customers' needs, receiving orders remotely and delivering directly to the customer's home. This was further enabled by the significant progress made on our digital capabilities allowing us to trade in a near normal way for both new and used vehicles and providing a seamless, more convenient customer experience.

In addition, we have found Covid-19 safe ways to operate our aftersales businesses despite the restrictions across some of our markets. All the above, together with the diversity of OEMs and revenue streams, and the launch of the Accelerate strategy which added renewed spirit within the organisation, has led to very strong results for the year ended 31 December 2021.

Once again, our employees have shown dedication and resilience throughout the year, for which we thank everyone.

BUSINESS PERFORMANCE AND REMUNERATION OUTCOMES FOR 2021

Targets for the 2021 bonus and long-term incentive plans were set by the Committee in the context of Covid-19's continuing and uncertain impact on business performance, taking into account the reasonably foreseeable impact of disruption during the year.

As noted above, in all markets we found ways to trade successfully though the Covid-19 restrictions, with higher new and used vehicle prices supporting revenue and stronger margins resulting in a high level of profitability and gross margins have exceeded historical averages (most notably in used cars).

The Group delivered revenue of £7.6bn, profit before tax of £296m, EPS of 56.2p (basic adjusted), and ROCE of 30% which have resulted in the following outcomes:

2021 BONUS

The 2021 bonus was based on a matrix of PBT and revenue, with results exceeding the stretch targets resulting in a pay-out at the maximum level for the financial elements of the bonus. Strong progress was also made on the strategic objectives which account for 20% of the annual bonus opportunity. Duncan Tait received a bonus of 147% of salary and Gijsbert de Zoeten received a bonus of 150% of salary. Please see pages 96 and 97 for further details.

2019 PSP/CIP

The 2019 awards vested based on EPS and ROCE performance over the three years ending 31 December 2021. Under the EPS component (60% of the award), the threshold growth of 4% p.a. was not achieved. The ROCE component (40% of the award), however, will vest in full as the three-year ROCE average, of 21.5%, is above the maximum target of 20.5%. Therefore, the 2019 LTIP will vest at 40% of maximum.

Neither Duncan Tait nor Gijsbert de Zoeten were granted awards under the 2019 PSP or CIP.

The Committee is satisfied that the total remuneration received by the Executive Directors in 2021 appropriately reflects the Company's performance over the year and, as such, no discretion was exercised by the Committee to adjust the bonus or long-term incentive outcomes.

WIDER WORKFORCE REMUNERATION

The Committee receives a broad review of wider workforce remuneration trends and plans at the start of each year and considers this to be important and relevant context for the pay decisions it makes regarding the Executive Directors and senior managers. The review includes analysis of the workforce norms for the major markets in which we operate, together with an overview of the annual review process and notice of any material changes to benefits and incentive arrangements.

ENGAGEMENT WITH THE WORKFORCE

In October 2021, I chaired an employee forum which focused on executive and employee reward at Inchcape. The forum consisted of a range of Group and UK colleagues from a range of Group and UK employees to get a broad range of perspectives. The reward forum was limited to UK personnel as these teams are part of the same pay structure and tax regime as the Executive Directors, although the forum will be expanded to international teams in the future.

The forum gave me an opportunity to converse with employees, get a clear understanding of their views on remuneration and also to give them an understanding of the role and responsibilities of the Board and the Remuneration Committee; this exercise has been especially relevant as we prepare for our three-year remuneration policy review in 2022.

Topics discussed included:

- The Board and its role at Inchcape – Executive and Non-Executive Directors;
- Executive and senior manager reward arrangements and corporate governance framework;
- Structures of reward at Inchcape – why there are differences at different levels; and
- Wider workforce remuneration policies including pay scales and long-term incentives.

We gained valuable insights from employees whose feedback included the importance of further work on gender pay gap issues, the value of employee vehicle purchase plans and the availability for EVs, and an interest in a personalised reward statement for employees.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) METRICS REFLECTED IN REMUNERATION PLANS

The Driving What Matters plan, the Group's responsible business framework, focuses on four pillars: People, Places, Planet and Practices. The plan has been developed alongside the Accelerate strategy and underpins the Company's purpose of bringing mobility to the world's communities – for today, for tomorrow and for the better. Further information can be found on pages 33 to 38.

Please see page 97 for details of the strategic objective for Duncan Tait relating to the responsible business framework.

The science-based reduction targets for scope 1 and 2 GHG emissions have been adopted by the Group and we will begin assessing scope 3 emissions during 2022. The Remuneration Committee is following progress on this and executive accountability will be reflected in the personal goal element of the 2022 bonus plan. At this stage, the Committee believes it is premature to embed such goals in the PSP awards but will consider this further as part of the policy review ahead of the 2023 AGM.

APPLICATION OF THE REMUNERATION POLICY FOR 2022

2022 SALARY

The Committee approved a salary increase of 3.5% for the Executive Directors, which is in line with the UK average salary increase. The salary increases will take effect from 1 April 2022.

2022 BONUS

The bonus matrix of revenue and profit before tax will continue to apply for the 2022 performance year. The maximum annual bonus opportunity remains unchanged at 150% of salary. 80% is based on financial measures and 20% on personal objectives.

2022 PSP/CIP

The 2022 PSP and CIP performance measures will continue to be based on EPS, ROCE and cash conversion. Awards will be granted at 180% of salary under the PSP and a matching award of up to 100% of salary under the CIP. Please see page 99 for further details.

LOOKING FORWARD

The current remuneration policy was approved by shareholders at the AGM in May 2020 and as required under the regulations a new remuneration policy will be submitted to shareholders for approval at the AGM in May 2023.

During 2022, the Committee will undertake a review of the policy to ensure that it continues to support the business, the new Accelerate strategy, and meets the expectations of shareholders and other stakeholders. As part of this review, the Committee will engage with colleagues representing the Group, and will consult with major shareholders in advance of any changes to the policy being proposed.

JANE KINGSTON
CHAIR OF THE REMUNERATION COMMITTEE

REMUNERATION AT A GLANCE

SUMMARY OF GROUP FINANCIAL PERFORMANCE IN 2021

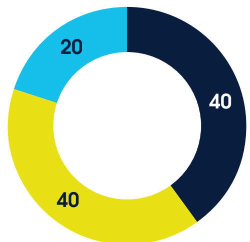
£7.6bn
Revenue

£296m
PBT

30%
ROCE

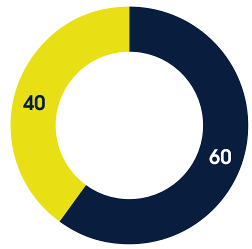
56.2p
EPS

MEASURES USED FOR ANNUAL BONUS (%)



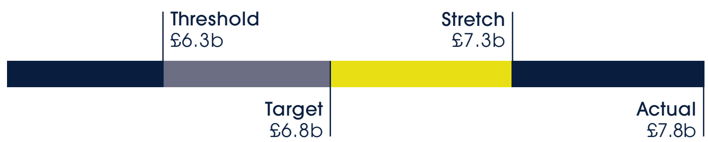
- Profit before tax
- Revenue
- Objectives

MEASURES USED FOR LONG-TERM INCENTIVE PLANS (%)



- EPS
- ROCE

REVENUE*



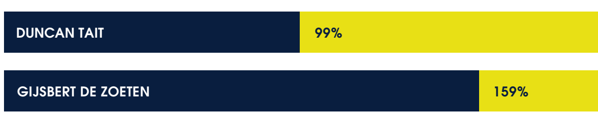
PROFIT BEFORE TAX*

* Targets and performances shown at constant currency rates during year.

SHARE OWNERSHIP POLICIES

The Executive Directors are required to hold a fixed number of shares equivalent to 200% of base salary. They have five years from the date of appointment to reach this shareholding.

Duncan Tait and Gijsbert de Zoeten held 99% and 159% of salary respectively as at 31 December 2021, using the share price as at 31 December 2021 of 909.5p.



DETAILS OF CURRENT HOLDINGS can be found on page 99

REMUNERATION COMMITTEE SNAPSHOT

Jane Kingston has chaired the Committee since July 2019.

All members of the Remuneration Committee are independent Non-Executive Directors. The Committee reviewed its composition during the year with no changes being made to its membership in 2021.

The Remuneration Committee reviewed the 2020 LTIP awards, determined no bonus was payable for 2020, set 2021 bonus targets for the Executive Directors and Group Executive Team, and approved the grant of long-term incentives in 2021.

During the year, the Committee approved salary increases for the Executive Directors and Group Executive Team members, and approved updated share plan rules for the CIP and PSP.

The Remuneration Committee Chair hosted a colleague forum to engage with the wider workforce on executive and senior manager reward arrangements. More sessions will continue in 2022 which will widen its focus and include a boarder selection of employees.

The Committee will continue to review ESG measures to include in long-term structures to ensure such measures are appropriate for the business, are transparent and are measured robustly.

The Remuneration Committee's terms of reference can be found online at: www.inchcape.com. Following a review of the terms of reference during the year, no changes were made.

HOW THE POLICY WILL BE APPLIED IN 2022

SALARY

- From 1 April 2022, the CEO will receive a salary of £827,483 and the CFO will receive a salary of £536,682.
- The average UK salary increase was 3.5%.

SHARE PLANS

- The CEO and CFO will receive a PSP award of 180% of salary.
- The CEO and CFO will be invited to participate in the 2022 SAYE scheme.
- The CEO and CFO received a bonus of 147% and 150% of salary respectively, in line with policy, 47% of salary for the CEO and 50% of salary for the CFO will automatically be invested in the co-investment plan and be eligible for a 2:1 match (subject to performance).

PENSION CONTRIBUTION

- Executive Directors will receive a pension contribution of 10% of salary which is in line with the UK workforce average.

ANNUAL BONUS

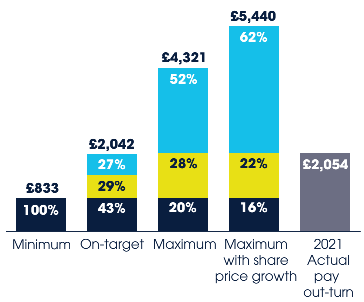
- 80% of the 2022 bonus will be based on a financial performance matrix of revenue and profit before tax with the remaining 20% of the bonus based on strategic objectives.

LTIP PERFORMANCE TARGETS

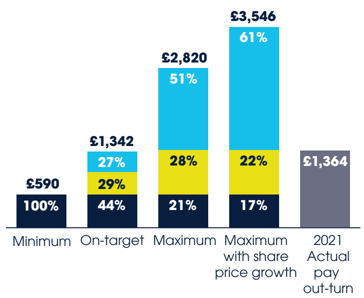
- The performance measures for PSP and CIP will continue to be based on EPS (40%), ROCE (40%) and cash conversion (20%).
- The ranges reflect current performance expectations over the next three years.

PAY SCENARIOS AND OUT-TURN FOR 2021

CEO total remuneration (£'000s)



CFO total remuneration (£,000's)



- Fixed remuneration
- Annual bonus
- Long-term incentives (PSP and CIP)
- 2021 actual pay outturn

PART 1 — DIRECTORS' REMUNERATION POLICY

This section of the report sets out a summary of the policy that was approved by shareholders at the Annual General Meeting held on 21 May 2020. The full policy can be found in last year's annual report or at www.inchcape.com

ALIGNMENT OF THE REMUNERATION POLICY

This section outlines how clarity, simplicity, risk, predictability, proportionality and alignment to culture were addressed when reviewing the current remuneration policy and its implementation as required under provision 40 of the UK Corporate Governance Code.

- The Committee believes that the disclosure of the remuneration arrangements is transparent with clear rationale provided on implementation and changes to policy. The Committee remains committed to consulting with shareholders and other key stakeholders on the policy and its application.
- The Committee believes the performance measures used in the long-term incentive plans, along with those in the bonus, also aid simplicity due to the clear alignment to Inchcape's strategy, and are familiar to all stakeholders.
- The Committee has ensured that remuneration arrangements do not encourage and reward excessive risk taking by setting targets to be stretching yet realistic, with discretion to adjust formulaic bonus and PSP outcomes and expanding the circumstances in which malus and clawback can be applied.
- The link to strategy of the performance measures used and the setting of targets balances predictability and proportionality by ensuring outcomes do not reward poor performance in the short and long-term. The policy is consistent with Inchcape's culture as well as strategy, therefore driving behaviours which promote the long-term success of Inchcape.

SUMMARY OF THE REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

Element	Objective and link to strategy	Opportunity
Base salary	To pay a competitive salary which attracts, retains and motivates talent to make decisions which drive the Company's strategy and create value for stakeholders.	Increases are not expected to exceed the average increase for senior management, unless a change in scope or complexity of role applies.
Annual bonus	To motivate and reward for the achievement of the Company's strategic annual objectives.	150% of salary maximum payable for achieving stretch performance against all measures. 75% of salary payable for target performance. 15% of salary payable for entry level performance.
Performance Share Plan (PSP)	To provide a meaningful reward to senior executives linked to the long-term success of the business. The use of performance shares enables the delivery of median pay for median performance and upper quartile pay for upper quartile performance.	Normal PSP opportunities will be 180% of salary. Award levels are subject to an individual limit of 300% of salary. Threshold level performance will result in 25% vesting of the PSP award.
Co-Investment Plan (CIP)	To encourage executive share ownership and reinforce long-term success.	Executive Directors may invest up to an overall maximum of 50% of salary. Maximum match of 2:1, threshold of 0.5:1. Maximum matching award is therefore 100% of salary in any year, and threshold matching award is 25% of salary.
Save As You Earn (SAYE)	To encourage share ownership	Participation limits are those set by the UK tax authorities from time to time.
Pension	To provide market competitive pension benefits where it is cost-effective and tax-efficient to do so.	Executive Directors are entitled to a cash supplement of up to 10% of salary.
Other benefits	To provide market competitive benefits where it is cost-effective and tax-efficient to do so.	It is not anticipated that the costs of benefits provided will materially exceed 5% of salary for existing Executive Directors. The Committee retains the discretion to approve a higher cost in exceptional circumstances (e.g. relocation).
In-post shareholding guidelines	To encourage share ownership and alignment of executive interest with those of shareholders.	Executive Directors are required to hold a fixed number of shares equivalent to 200% of base salary. They have five years from the date of appointment to reach this shareholding.
Post-exit shareholding guidelines	To reinforce long-term alignment of executive interests with those of shareholders post-termination.	A departing Executive Director is required to maintain a shareholding for two years post-termination, set at the lower of the actual shareholding on exit and the in-post shareholding guideline.

NOTES TO THE POLICY

Payments from existing awards

Executive Directors are eligible to receive payment from any award made prior to the approval and implementation of the remuneration policy detailed in this report. Such awards include vested but unexercised options.

Selection of performance measures and target setting

The annual bonus measures have been selected to incentivise sustainable growth in profits. The matrix structure continues to provide a balanced focus between commercial and cash initiatives. A mix of strategic measures will continue to be selected each year to reinforce the Group's strategic objectives.

The Committee believes that EPS (adjusted) and ROCE continue to be suitable measures of long-term performance for the Group. EPS is consistent with the Group's long-term strategy focusing on sustainable growth while ROCE supports the Group's cash initiatives of controlling working capital and capital expenditure. When ROCE is used in combination with EPS, it ensures there is a balance between growth and returns. The cash conversion measure reflects the criticality of cash generation for Inchcape, which is required to support its continued evolution.

Performance targets are set to be stretching and achievable, taking into account the Company's strategic priorities and the economic environment in which the Company operates.

The Committee has considered the use of other performance measures to reinforce the Company's long-term objectives, including relative TSR. However, given the diversity of the Group's operations, it would be difficult to set a relevant and robust comparator group for assessing relative TSR performance and there would be some difficulty in cascading appropriately down the organisation.

Targets are set taking into account a range of reference points including the strategy and broker forecasts for the Group. The Committee believes that the performance targets set are appropriately stretching, set to reward for outperformance of the market and that the maximum will only be achievable for truly outstanding performance. Please see pages 98 to 99 for further details on the target ranges.

The Committee retains discretion to adjust the annual bonus outcome up or down to ensure that it is a fair reflection of the Group's underlying performance. The Committee also has the ability to adjust the number of shares vesting under the PSP and CIP to ensure it is a fair reflection of underlying performance during the performance period.

The Committee also has the discretion to adjust the performance conditions for long-term incentive plans in exceptional circumstances, provided the new conditions are no tougher or easier than the original conditions.

Any discretion exercised by the Committee in the adjustment of performance conditions will be fully explained to shareholders in the relevant Annual Report on Remuneration. If the discretion is material and upwards, the Committee will consult with major shareholders in advance.

Malus and clawback

These provisions allow the Committee in certain circumstances (such as gross misconduct or a material misstatement of the Group financial statements, reputational damage or corporate failure) the discretion to:

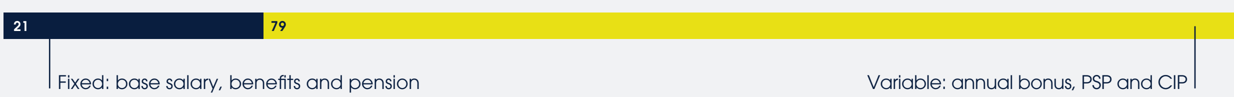
- Reduce bonus, PSP and/or CIP;
- Cancel entitlement of bonus;
- Prevent vesting of the PSP and/or CIP; or
- Allow the Company within two years of payment/vesting of award to claim back up to 100% of the award.

Participants are informed about the malus and clawback conditions on their bonus at the start of each year and are required to confirm acceptance of malus and clawback provisions on their PSP and CIP awards upon grant.

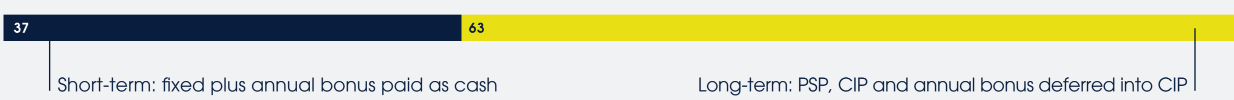
Composition of remuneration arrangements

A significant proportion of Executive Directors' pay is variable, long-term and remains 'at risk' (i.e. subject to malus and clawback provisions). Charts are based on maximum payout scenarios for Executive Directors.

FIXED VS. VARIABLE (%)



SHORT-TERM VS. LONG-TERM (%)



Remuneration policy for other employees

Our approach to salary reviews is consistent across the Group with consideration given to the level of responsibility, experience, individual performance, salary levels in comparable companies (using remuneration surveys, where appropriate) and the Company's ability to pay.

Senior employees participate in an annual bonus scheme which has similar performance targets to those of the Executive Directors. Below this level, local incentive schemes are in place for management and non-management employees. Opportunities and performance conditions vary by country and organisational level, with business unit-specific metrics incorporated where appropriate. Commission-based arrangements are also operated for certain roles.

Senior managers also receive PSP awards while participation in the CIP is limited to Executive Directors, Group Executive Team members and the next level of executives (c. 20 individuals). Performance conditions are consistent for all participants while award sizes vary by organisational level. In-post share ownership guidelines apply to Executive Directors.

All UK employees are eligible to participate in the SAYE scheme on the same terms.

Pension and benefits arrangements are tailored to local market conditions, and so various arrangements are in place for different populations within the Group. The Group has calculated the average equivalent pension contribution across UK employees to be 10% of salary.

REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

Objective and link to strategy	Operation and performance metrics	Opportunity
To provide fair remuneration, reflecting the time commitment and responsibilities of the role.	Non-Executive Directors receive a fixed fee and do not participate in any incentive schemes or receive any other benefits, except the Chairman who receives medical cover. Fee levels are reviewed regularly, with any adjustments effective immediately after the review is approved. Additional fees are payable for acting as Senior Independent Director and as Chair of any of the Board's Committees (excluding the Nomination Committee). The Chairman's fee is determined by the Remuneration Committee and the fees for other Non-Executive Directors are determined by the Executive Directors. Non-Executive Directors may elect to receive up to 20% of their net fees p.a. as Company shares.	Appropriate adjustments may be made to fee levels, taking account of: • increases awarded across the Group as a whole and conditions elsewhere in the Group; • Fee levels within organisations of a similar size, complexity and type; and • Changes in complexity, responsibility or time commitment required for the role.

Fees paid to Non-Executive Directors are within the limits approved by shareholders. This limit, currently at an aggregate of £1,200,000, was last approved by shareholders at the 2021 AGM.

NON-EXECUTIVE DIRECTORS' TERM OF APPOINTMENT

The Non-Executive Directors are appointed for an initial three-year term which can be terminated by either party on one month's notice (six months for the Chairman).

Jerry Buhlmann	01 March 2017	One month
Nayantara Bali	27 May 2021	One month
Alex Jensen	29 January 2020	One month
Jane Kingston	25 July 2018	One month
John Langston	01 August 2013	One month
Nigel Stein	08 October 2015	Six months
Till Vestring	01 September 2011	One month

CONSIDERATION OF CONDITIONS ELSEWHERE IN THE GROUP

The Committee reviews and approves all remuneration arrangements for the Group Executive Team and the Group Company Secretary. The Committee also reviews the pay budgets and benefit structures across the general population which are considered when determining remuneration for Executive Directors and the Group Executive Team.

The Company has a diverse, international spread of businesses as well as a wide variety of roles, from petrol pump attendants and valeters through to Chief Executives of our individual businesses. Pay levels and structures therefore vary to reflect local market conditions. The Chair of the Remuneration Committee facilitated an employee forum on executive remuneration during 2021, and will continue to engage with employees in this manner at least annually.

The remuneration policy is published in the Annual Report and Accounts and is available to all employees for their review. The Remuneration Committee is available to answer any questions employees may have about the policy or to provide clarification on any remuneration matters. Elements of the policy are cascaded down the organisation such as bonus and long-term incentive plans. The policy also aligns the pension contribution for newly appointed Executive Directors with the UK employee average which is currently 10% of salary.

CONSIDERATION OF SHAREHOLDER VIEWS

When determining remuneration, the Committee takes into account the guidelines of representative investor bodies and proxy advisors and shareholder views.

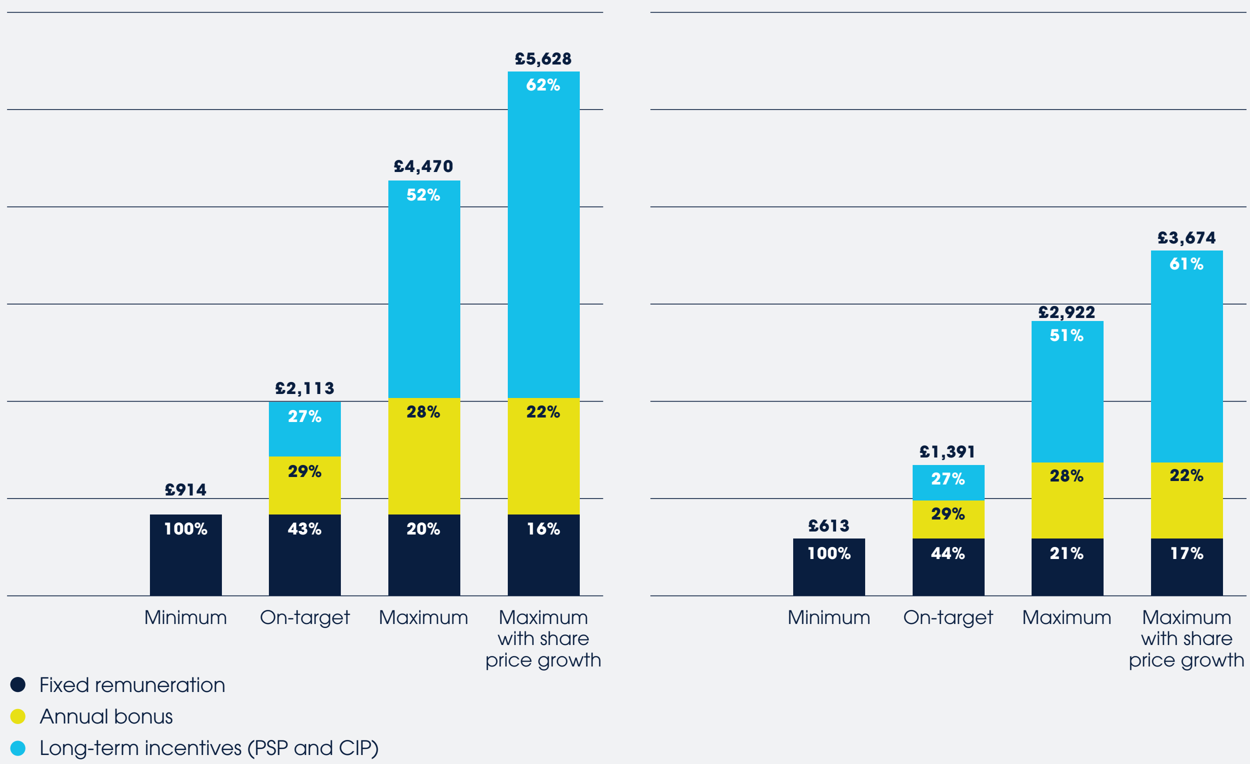
The Committee is always open to feedback from shareholders on remuneration policy and arrangements. We are committed to undertaking shareholder consultation in advance of any proposed changes to remuneration policy, as evidenced by our consultation in 2020 with shareholders representing 70% of the Company's issued share capital. The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate.

PERFORMANCE SCENARIOS

The charts below show the remuneration that Executive Directors could expect to obtain based on varying performance scenarios. These illustrations are intended to provide further information to shareholders regarding the pay-for-performance relationship. However, actual pay delivered will be influenced by actual changes in share price and the vesting periods of awards.

Duncan Tait – Group Chief Executive
Total remuneration (£'000s)

Gijsbert de Zoeten – Chief Financial Officer
Total remuneration (£'000s)



Notes on the performance scenarios:

Element	Assumptions
Fixed remuneration	• Total remuneration comprises base salary, benefits and pensions • Base salary – effective from 1 April 2022 • Benefits– as provided in the single figure table on page 95 • Pension– 10% cash in lieu of pension

		Minimum	On-target	Maximum	Maximum with share price growth
Variable pay	Annual bonus	No payout	Target payout (50% of maximum)	Maximum payout	
	CIP	No vesting	Assumes full voluntary investment		
			Threshold match of 0.5:1	Maximum vesting	Maximum vesting + 50% share price growth
	PSP	No vesting	Threshold vesting (25% of maximum)	Maximum vesting	Maximum vesting + 50% share price growth

APPROACH TO RECRUITMENT REMUNERATION

External appointments

When appointing a new Executive Director, the Committee may make use of any of the existing components of remuneration, as follows:

Component	Approach	Maximum annual grant value	
Base salary	The base salaries of new appointees will be determined by reference to the scope of the role, experience of the individual, pay levels at organisations of a similar size, complexity and type, pay and conditions elsewhere in the Group, implications for total remuneration, internal relativities and the candidate's current base salary.	n/a	
Pension	New appointees will be eligible to participate in the Group's pension plan and receive a cash supplement on similar terms to Executive Directors appointed after 2019.	n/a	
Benefits	New appointees will be eligible to receive normal benefits available to senior management, including (but not limited to) company cars, medical care, life assurance and relocation allowance.	n/a	
Annual bonus	The annual bonus described in the policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of employment over the year.	150% of salary	
PSP	New appointees will be granted awards on the same terms as other Executive Directors as described in the policy table.	300% of salary	The combined maximum is not intended to exceed 400% of salary
CIP	New appointees will be granted awards on the same terms as other Executive Directors as described in the policy table.	100% of salary	
Other	The Committee will consider on a case-by-case basis if all or some of the incentives forfeited on leaving a previous employer will be 'bought-out'. If the Committee decides to buy-out forfeited awards, the award will be structured on a comparable basis, taking into account any performance conditions attached, time to vesting and share price at the time of buy-out. The Committee retains the discretion to make use of the relevant Listing Rule to facilitate such a buy-out.	n/a	

NOTES TO RECRUITMENT REMUNERATION POLICY

In determining the appropriate remuneration for a new Executive Director, the Committee will take into consideration all relevant factors to ensure that arrangements are in the best interests of the Group and its shareholders.

INTERNAL APPOINTMENTS

In cases of internal promotions to the Board, the Committee will determine remuneration in line with the policy for external appointees as detailed above. Where an individual has contractual commitments made prior to their promotion to Executive Director level, the Company will continue to honour these arrangements. Incentive opportunities for employees below Board level are typically no higher than for Executive Directors.

NON-EXECUTIVE DIRECTORS

In recruiting a new Non-Executive Director, the Committee will use the policy as set out in the table on page 90. A base fee in line with the prevailing fee schedule would be payable for Board membership, with additional fees payable for acting as Senior Independent Director or as Chair of the Audit, Remuneration and CSR Committees as appropriate.

EXIT PAYMENT POLICY, SERVICE CONTRACTS AND CHANGE OF CONTROL

The Company's policy is to limit severance payments on termination to pre-established contractual arrangements.

In addition, the Company retains discretion to settle any other amount reasonably due to the Executive Director, for example, to meet legal fees incurred by the Executive Director in connection with the termination of employment, where the Company wishes to enter into a settlement agreement and the individual must seek independent legal advice.

In the event that the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee as well as the rules of any incentive plans. When considering exit payments, the Committee reviews all potential incentive outcomes to ensure they are fair to both shareholders and participants.

The table below summarises how the awards under the annual bonus, PSP and CIP are typically treated in specific circumstances, with the final treatment remaining subject to the rules of the relevant plans (subject to any Committee discretion):

Component	Circumstance	Treatment	Payment/vesting date (if relevant)
Annual bonus	Resignation.	Bonus will lapse unless the date of leaving is after the year end and the individual is not serving their notice period. The bonus will only be paid to the extent the targets set at the beginning of the year have been achieved.	Either the end of the performance period or at the Committee's discretion.
	Death, ill-health, redundancy, retirement or any other reason which the Committee may, in its absolute discretion, permit.	The bonus will only be paid to the extent the targets set at the beginning of the year have been achieved.	Either the end of the performance period or at the Committee's discretion.
	Change of control.	Any bonus payment will be pro-rated for time served during the year.	Either the end of the performance period or at the Committee's discretion.
PSP and CIP	Resignation.	Unvested awards will lapse on date of leaving. Any vested awards can be exercised.	At the normal release date (save where the Committee has discretion to determine otherwise or the rules provide otherwise).
	Death, ill-health, redundancy, retirement (CIP only) or any other reason which the Committee may, in its absolute discretion, permit.	Any unvested awards will be pro-rated for time and performance.	
	Change of control.	Any unvested awards will be pro-rated for time and performance.	At the time of change of control.

SERVICE CONTRACTS

The Company's policy is for Executive Directors' service contract notice periods to be no longer than 12 months, except in exceptional circumstances. All current contracts contain notice periods of 12 months.

Name	Date of contract	Notice period	Unexpired term
Duncan Tait	1 June 2020	12 months	To retirement
Gijsbert de Zoeten	27 August 2019	12 months	To retirement

The Company may terminate an Executive Director's contract by paying a sum equal to base salary and, in certain circumstances, benefits including pension and life assurance, company car and entitlement to holiday pay for the 12-month period. Executive Directors' service contracts are available to view at the Company's registered office.

PART 2 — ANNUAL REPORT ON REMUNERATION

The following section provides details of how the Company's remuneration policy was implemented during the financial year to 31 December 2021 and how it will be implemented in the financial year to 31 December 2022.

THE PRINCIPAL DECISIONS MADE BY THE COMMITTEE:

LONG-TERM INCENTIVE TARGETS

The impact of Covid-19 on the Group's performance continued into 2021, creating unprecedented levels of uncertainty and volatility of outcomes. The difficulty in forecasting how the measures would perform created a risk that predictions may lead to outcomes which do not fairly represent underlying business performance over the period. When considering whether the proposed targets were challenging enough, the Committee spent time discussing internal forecasts, and investor expectations, the stakeholder experience, and stress-testing specific scenarios. The Committee made the decision to delay setting the targets for the PSP and CIP to May 2021, to ensure that the latest and most accurate information around external market dynamics was used.

The Committee approved the following performance measures for the PSP and CIP awards granted in 2021:

- The relative weighting on EPS, ROCE and FCFC remained unchanged at 40:40:20 respectively;
- EPS targets were set as a pence range of 133p to 150p;
- ROCE targets were increased from 16.5% to 20.5%, to 19% to 23%;
- The FCFC range remained at 55% to 70%; and
- Grant sizes remained as per the approved Remuneration Policy.

Please see page 98 for details of the performance target outcomes for the awards granted in 2019, and page 99 for the performance targets for the 2022 long-term incentive awards.

2021 BONUS

The Committee considered the possibility of intermittent lockdowns, the roll-out of the vaccine in each market, and the potential of new strains of the virus impacting the Group's ability to conduct business in 2021. As such, the potential Covid-19 impact was included in the AOP figures agreed by the Board which was reflected in the performance volatility in the threshold and maximum levels used for the 2021 Bonus Plan. The Committee agreed that the bonus matrix be amended for 2021 to broaden the ranges around Plan to +/- 7.5% on Revenue and +/- 15% on PBT, with the broader range reflecting the differing scenarios which could present over the financial year.

Please see page 96 for details of the performance achieved in 2021 and the resulting bonus outcomes.

EXECUTIVE DIRECTOR'S REMUNERATION

2021 salary review

As disclosed in last year's Annual Report and Accounts, Duncan Tait received a salary increase of 2.5% and Gijsbert de Zoeten received a salary increase of 3.8% with effect from 1 April 2021. The increase for Gijsbert de Zoeten was above the average workforce increase as the Committee agreed that this was appropriate to reflect the significant additional responsibilities the CFO has in his role and also his performance and contribution to the business to date.

2022 salary review

The Committee approved a salary increase of 3.5% for each of the Executive Directors. This is in line with the average UK workforce increase.

GROUP EXECUTIVE REMUNERATION

The Committee reviewed, and approved, the remuneration packages for members of the Group Executive Team taking into account pay for employees across the Group and in the relevant regional markets.

WIDER WORKFORCE REMUNERATION

The Committee considered the reward landscape for the wider workforce including total bonus outcomes for all senior management, the achievement of regional financial targets, and the distribution of performance outcomes for personal objectives.

SINGLE TOTAL FIGURE OF REMUNERATION (AUDITED)

The table below sets out the total remuneration received by the Directors for the year ended 31 December 2021:

	Base salary/ fees[(a)] £'000		Taxable benefits[(b)] £'000		Single-year variable[(c)] £'000		Multiple-year variable[(d)] £'000		Pension[(e)] £'000		Other[(f)] £'000		Total £'000		Total Fixed[(a+b+e+f)] £'000		Total variable[(c+d)] £'000	
Name	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Current Executive Directors																		
Duncan Tait	**795**	416	**4**	3	**1,176**	0	**0**	0	**79**	46	**0**	3	**2,054**	468	**878**	468	**1,176**	0
Gijsbert de Zoeten	**514**	461	**21**	194	**778**	0	**0**	0	**51**	49	**0**	3	**1,364**	707	**586**	707	**778**	0
Current Non-Executive Directors																		
Nigel Stein	**333**	277	**3**	2	**–**	–	**–**	–	**–**	–	**–**	–	**336**	279	**336**	279	**–**	–
Nayantara Bali*	**38**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**38**	–	**38**	–	**–**	–
Jerry Buhlmann	**83**	70	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**83**	70	**83**	70	**–**	–
Alex Jensen	**75**	48	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**75**	48	**75**	48	**–**	–
Jane Kingston	**78**	67	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**78**	67	**78**	67	**–**	–
John Langston	**78**	65	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**78**	65	**78**	65	**–**	–
Till Vestring	**63**	63	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**63**	63	**63**	63	**–**	–
Former Directors**																		
Stefan Bomhard	**–**	343	**–**	10	**–**	–	**–**	–	**–**	114	**–**	4	**–**	471	**–**	471	**–**	–
Rachel Empey	**21**	55	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**21**	55	**21**	55	**–**	–
Total	**2,078**	1,865	**28**	209	**1,954**	0	**0**	0	**130**	209	**0**	10	**4,190**	2,293	**2,236**	2,293	**1,954**	0

* Nayantara Bali joined in May 2021.
** Stefan Bomhard left in June 2020 and Rachel Empey left in April 2021.

a. Base salary/fees for 2020 include the voluntary 20% pay cut taken by the Directors during the year.
b. Taxable benefits comprise car allowance, medical cover and mileage allowance. In 2020, Gijsbert de Zoeten received a relocation allowance of £173,904. No relocation payments were received in 2021.
c. Payment for performance under the annual bonus, including amounts paid in shares.
d. Neither Duncan Tait nor Gijsbert de Zoeten received PSP or CIP awards in 2019, hence no value is given for multi-year variable.
e. Gijsbert de Zoeten and Duncan Tait received a pension supplement of 10% of salary.
f. The 2020 figure for both Duncan Tait and Gijsbert de Zoeten includes the value of the 2021 SAYE and is based on the embedded value at date of grant.

BASE SALARY

Salaries are reviewed annually and typically take effect from 1 April each year. The quantum of total executive remuneration was reviewed against four comparator groups: retailers, distributors, companies of a similar market cap, and companies with similar revenues, consistent with the benchmarking exercise conducted in prior years.

The salaries for 2020, 2021 and 2022 are set out below:

Name	01-Apr-20 (or date of appointment if later)	% increase	01-Apr-21	% increase	01-Apr-22	% increase
Duncan Tait	£780,000	–	£799,500	2.5%	£827,483	3.5%
Gijsbert de Zoeten	£499,550	3.0%	£518,333	3.8%	£536,682	3.5%
UK average workforce increase*	–	3.18%	–	3.28%	–	3.5%

* As set out in last year's report, Gijsbert de Zoeten was awarded a salary increase of 3.8% in April 2021, in recognition of the additional responsibilities undertaken following the departure of the Group Strategy Director and reflecting his performance and contribution to the business since his appointment.
* The average increases for 2020 and 2021 were for Group employees only. The average increase for 2022 is the average increase for UK employees.

CHAIRMAN AND NON-EXECUTIVE DIRECTORS' FEES

In 2021, the Chairman received a fee of £334,560 per annum, the Senior Independent Director received a fee of £83,025 per annum, and the Non-Executive Directors' received a fee of £63,550 per annum with an additional fee of £15,000 per annum for the Chair of the Audit and Remuneration Committee and £12,000 per annum for the Chair of the CSR Committee.

With effect from 1 April 2022, the fees will be increased by 3.5%. The Chairman fee will be £346,270 per annum, the Senior Independent Director's fee will be £85,930 per annum, and the Non-Executive Directors' fee will be £65,774 per annum. The additional fees for chairing a committee will increase to £17,000 for the Chair of the Audit and Remuneration Committee and £14,000 for the Chair of the CSR Committee.

ANNUAL BONUS

The annual bonus is based on annual financial measures and strategic objectives. The measures are selected to incentivise sustainable growth and the financial measures, based on a matrix of revenue and profit before tax, are designed to provide a balanced approach. The strategic objectives are selected each year to reinforce the Group's strategic priorities and include personal objectives linked to the delivery of the strategy.

The principles for setting the bonus framework are such that it:

- Drives the desired behaviours underpinned by our performance drivers;
- May be easily cascaded through the organisation to reinforce alignment of our collective goals; and
- Has clear measures and targets.

2021 BONUS

For 2021, 80% of the bonus was based on financial performance via a matrix of revenue and profit before tax with the remaining 20% of the bonus based on strategic objectives, therefore linking an individual's bonus outcome to their contribution to the Accelerate strategy. The maximum opportunity for the Executive Directors was 150% of salary, which is payable for achieving stretch performance against all measures.

Duncan Tait received a bonus of 147% of salary and Gijsbert de Zoeten received a bonus of 150% of salary.

The structure of the 2021 bonus

Up to 80% of total bonus or 120% of salary is earned according to the following matrix of financial measures (%s are of salary):

Revenue

Stretch	24%	72%	120%
Target	16%	60%	96%
Threshold	12%	36%	72%
	Threshold	Target	Stretch

Profit before tax

Up to 20% of the total bonus, or 30% of salary, is earned for the achievement of strategic objectives.

ACTUAL PERFORMANCE AGAINST BONUS TARGETS

Achievement of financial targets (80% of total bonus or 120% of salary)

In 2021, revenue performance was £7.8bn and profit before tax was £308m. The table below provides further detail on the revenue and profit before tax targets.

Actual performance for determining bonus outcomes has been calculated using the same currency rates as used to set the bonus targets. This approach helps ensure that the bonus is linked to underlying financial performance.

<table>
<tr><th></th><th colspan="3">Targets</th><th></th><th></th></tr>
<tr><th>Measure</th><th>Threshold</th><th>Target</th><th>Stretch</th><th>Actual performance</th><th>Outcome for element of bonus % of salary</th></tr>
<tr><td>Revenue</td><td>£6.3bn</td><td>£6.8bn</td><td>£7.3bn</td><td>£7.8bn</td><td rowspan="2">120%</td></tr>
<tr><td>Profit before tax</td><td>£170m</td><td>£200m</td><td>£230m</td><td>£308m</td></tr>
</table>

Adjustments made during the year

The revenue and profit before tax targets for 2021 were adjusted to take into account strategic acquisitions and disposals during the year, to ensure target and performance outcomes were assessed on a like-for-like basis.

Achievement of strategic targets (20% of total bonus, or 30% of salary)
We provide as much detail below as commercially appropriate on the objectives linked to the strategic element of the 2021 bonus and the resulting outcomes.

Executive Director	Objective	Weighting (%)	Further details on objectives	Outcome at % of salary (%)
Duncan Tait	Strategy	10%	**Develop and launch Inchcape's new strategy** • Ensure this strategy is bought into and supported by all stakeholders including OEMs and employees. • Put in place initiatives to build future revenue streams that support the Company's strategy to take share in the under-served vehicle lifestyle. **Conclusion:** The strategy has been extremely well received and is being executed across the Group. Inchcape is making strong progress in distribution excellence and building out the VLS businesses.	15%
	Omni-channel solutions	5%	**Ensure Inchcape is a leader in route to market transformation** • Achieve this by accelerating our omni-channel solution both in terms of the number of OEMs and functionality of the technology. • Improve Inchcape's ability to drive data-driven decision making via data analytics. **Conclusion:** • DxP has been successfully deployed to a number of markets positioning Inchcape as a recognised leader.	7.5%
	Responsible Business	5%	**Determine and scope the responsible business strategic priorities and ensure they adhere to regulatory requirements** • Specifically oversee the setting of scope 1 & 2 targets for carbon reduction. • Ensure external reporting is relevant and compliant with TCFD mandatory reporting requirements. • Develop an informed view regarding scope 3 target for carbon reduction. • Engage all stakeholders in Inchcape's Responsible Business strategy. Ensure that investors are informed at the capital markets day (CMD). **Conclusion:** • The Responsible Business plan is in place and each region has an execution plan. • The Planet workstream has set CO_2 reduction targets for scope 1 and 2 and these were communicated at the CMD.	4.5%
Gijsbert de Zoeten	Finance transformation	10%	**Lead the finance function to the next level with the delivery of key milestones of the finance transformation project** • Complete partner selection and contract, establish change management plan and transition to new model. **Conclusion:** The finance function is performing extremely well and the ambitious Global Business Services (GBS) programme is delivering ahead of expectations.	15%
	Overheads	10%	**Maintain strong cost controls as per plan** **Conclusion:** • The GBS programme is being successfully rolled out and is on track to deliver savings and strong cost controls maintained across the Group.	15%

ANNUAL BONUS FOR 2022
The maximum annual bonus opportunity in 2022 will remain unchanged from previous years and will be 150% of salary. For the Executive Directors, 80% of the bonus will be based on a financial performance matrix, linked to revenue and profit before tax, and 20% of the bonus will be based on specific, measurable objectives that relate to the Group's strategy. For target performance, the payout will be 50% of the maximum bonus opportunity.

Given the close link between performance targets, the longer-term strategy, and the advantage this may give competitors, the 2022 targets for the Executive Directors are not disclosed in this report because of their commercial sensitivity. The Committee intends to publish the financial targets and provide more details of the strategic measures in next year's Directors' Remuneration Report.

PSP AND CIP AWARDS VESTING IN RESPECT OF THE YEAR
In 2019, awards were granted under the PSP and CIP schemes which vested dependent on certain performance targets measured over three years to 31 December 2021. These awards are also subject to an additional post-vest two-year holding period.

2019 PSP/CIP performance targets

Three-year EPS growth p.a. (60% weighting)	Vesting %
Less than 4%	0%
4%	25%
12%	100%
Between 4% and 12%	Straight line basis

Three-year average ROCE (40% weighting)	Unexpired term
Less than 16.5%	0%
16.5%	25%
20.5%	100%
Between 16.5% and 20.5%	Straight line basis

VESTING OF 2019 PSP/CIP AWARDS

Over the 2019-2021 performance period an EPS growth of -6.6% and three-year average ROCE of 21.5% were achieved, which resulted in the following vesting outcomes:

Award	Performance measure	Wtg.	Vesting outcome (% of element)
PSP	EPS	60%	0%
	ROCE	40%	100%
Total (overall vesting outcome of PSP)			40%

Award	Performance measure	Wtg.	Vesting outcome (% of element)
CIP	EPS	60%	0%
	ROCE	40%	100%
Total (overall vesting outcome of CIP)			40% = 0.8:1 match

Neither Duncan Tait or Gijsbert de Zoeten received PSP or CIP awards in 2019 and the awards granted to the former CEO and CFO lapsed when they left the company.

PSP and CIP awards granted during the year

During 2021, PSP awards were granted at 180% of salary and under the CIP, the Executive Directors invested 50% of salary and were granted a matching award of 100% of salary respectively. The performance targets for the 2021 PSP/CIP grants are as follows:

2021 PSP/CIP

Three-year cumulative EPS (40% weighting)	Vesting %
Less than 133p	0%
133p	25%
150p	100%
Between 133p and 150p	Straight line basis

Three-year average ROCE (40% weighting)	Unexpired term
Less than 19%	0%
19%	25%
23%	100%
Between 19% and 23%	Straight line basis

Cash conversion (20% vesting)	Vesting %
Less than 55%	0%
55%	25%
70%	100%
Between 55% and 70%	Straight line basis

Threshold level performance will result in 25% of the 2021 PSP and CIP awards vesting.

	Date of grant	Share price (p)[1]	Number of shares/options awarded	Face value at grant[2]	Performance period	Exercise period[3]
Duncan Tait						
PSP	7 June 2021	790.00p	182,210	£1,439,459	Jan 2021 – Dec 2023	Jun 2024 – Jun 2025
CIP	7 June 2021	790.00p	101,228	£799,701	Jan 2021 – Dec 2023	Jun 2024 – Dec 2024
Gijsbert de Zoeten						
PSP	7 June 2021	790.00p	118,176	£933,590	Jan 2021 – Dec 2023	Jun 2024 – Jun 2025
CIP	7 June 2021	790.00p	65,653	£518,659	Jan 2021 – Dec 2023	Jun 2024 – Dec 2024

1. Mid-market share price on date of grant.
2. Face value has been calculated using the share price at date of grant.
3. The awards are structured as a nil-cost option. Any shares vesting and exercised under the PSP and CIP (net of tax) are required to be held (until the fifth anniversary of grant).

LONG-TERM INCENTIVES FOR 2022

The Committee reviewed the performance measures for PSP and CIP agreeing that targets will continue to be based on EPS (40%), ROCE (40%) and cash conversion (20%). The ranges reflect current performance expectations over the next three years.

Three-year cumulative EPS (40% weighting)	Vesting %
Less than 184p	0%
184p	25%
208p	100%
Between 184p and 208p	Straight line basis

Three-year average ROCE (40% weighting)	Unexpired term
Less than 23%	0%
23%	25%
28%	100%
Between 23% and 28%	Straight line basis

Cash conversion (20% vesting)	Vesting %
Less than 50%	0%
50%	25%
65%	100%
Between 50% and 65%	Straight line basis

PENSION

Duncan Tait and Gijsbert de Zoeten receive a pension contribution of 10% of salary, which is aligned to the UK employee average.

EXECUTIVE SHARE OWNERSHIP AND DIRECTORS' INTERESTS (AUDITED)

The table below shows the total number of shares, options and awards held by each Director at 31 December 2021.

		Share awards held		Options held			
	Shares held at 31 December 2021	Subject to performance conditions	Subject to deferral	Subject to performance targets	Subject to deferral	Vested but not yet exercised	Guideline met
Duncan Tait	82,665	674,462	0	0	4,774	0	No
Gijsbert de Zoeten	86,063	470,365	0	0	4,774	0	No
Nigel Stein	66,834	n/a	n/a	n/a	n/a	n/a	n/a
Jerry Buhlmann	15,233	n/a	n/a	n/a	n/a	n/a	n/a
Nayantara Bali[1]	0	n/a	n/a	n/a	n/a	n/a	n/a
Rachel Empey[2]	6,760	n/a	n/a	n/a	n/a	n/a	n/a
Jane Kingston	3,500	n/a	n/a	n/a	n/a	n/a	n/a
John Langston	9,326	n/a	n/a	n/a	n/a	n/a	n/a
Till Vestring	47,796	n/a	n/a	n/a	n/a	n/a	n/a
Alex Jensen	1,034	n/a	n/a	n/a	n/a	n/a	n/a

1. Nayantara Bali joined the Board on 27 May 2021.
2. Rachel Empey left the Board on 30 April 2021.

There have been no changes to the number of shares held by the Directors between 31 December 2021 and 25 February 2022.

SHARE OWNERSHIP POLICIES

The Executive Directors are required to hold a fixed number of shares equivalent to 200% of base salary. They have five years from the date of appointment to reach this shareholding. Duncan Tait and Gijsbert de Zoeten held 99% and 159% of salary respectively as at 31 December 2021, using the share price as at 31 December 2021 of 909.50p.

A departing Executive Director is required to maintain a shareholding for two years post-termination, set at the lower of the actual shareholding on exit and the in-post shareholding guideline. Enforcement of this is facilitated through a holding requirement for Executive Directors applied to share-based incentives awards from 2020 onwards. The application of this requirement will be at the Committee's discretion (which will be applied only in exceptional circumstances).

PERCENTAGE CHANGE IN BOARD REMUNERATION

The table shows the percentage change in Board remuneration, compared with the average percentage change in remuneration for senior management. For the purposes of this disclosure, remuneration comprises salary, benefits (excluding pension) and annual bonus only.

	% change for 2020			**% change for 2021**		
	Salary	Benefits	Bonus	**Salary**	**Benefits**	**Bonus**
Executive Directors						
Duncan Tait	n/a	n/a	n/a	**2.5%**	**0%**	**100%**
Gijsbert de Zoeten	3%	0%	-100%	**3.8%**	**-90%**	**100%**
Non-Executive Directors						
Nigel Stein	2%	0%	n/a	**2.5%**	**0%**	**n/a**
Jerry Buhlmann	0%	n/a	n/a	**2.5%**	**n/a**	**n/a**
Nayantara Bali	n/a	n/a	n/a	**0%**	**n/a**	**n/a**
Rachel Empey	0%	n/a	n/a	**2.5%**	**n/a**	**n/a**
Jane Kingston	0%	n/a	n/a	**2.5%**	**n/a**	**n/a**
John Langston	0%	n/a	n/a	**2.5%**	**n/a**	**n/a**
Till Vestring	0%	n/a	n/a	**2.5%**	**n/a**	**n/a**
Alex Jensen	0%	n/a	n/a	**2.5%**	**n/a**	**n/a**
Average pay based on senior management	3.16%	0%	-82.91%	**3.28%**	**0%**	**73.2%**

1. Change in salaries and fees are shown as difference between position at April 2020 against April 2021 when scheduled annual review takes place.
2. Change in Gijsbert de Zoeten's benefits was due to relocation support being available for 12 months in the prior year (2020). This has now ceased. Taxable benefits comprise of car allowance, medical cover and mileage allowance.
3. No bonus awards were made in 2020 due to the financial gateway not being achieved. In line with performance outcomes for FY2021, bonus awards are being made at 73.2% of total salary for Band 2 & 3 senior managers.

As Inchcape plc has no direct employees, employees representing the most senior executives have been selected as this group is large enough to provide a robust comparison, whilst also providing data that is readily available on a matched sample basis. These employees also participate in bonus schemes of a similar nature to Executive Directors and therefore remuneration will be similarly influenced by Company performance.

CEO PAY RATIO

The CEO pay ratio is based on comparing the CEO's pay to that of Inchcape's UK-based employee population, a large proportion of whom are in customer-facing roles in retail outlets with remuneration which is commission-driven. The Committee anticipates that the ratios are likely to be volatile over time, largely driven by the CEO's incentive outcomes which are dependent on Group-wide results whereas employee pay variability will be primarily driven by UK market conditions.

The ratios have increased year-on-year due to the increase in the reportable remuneration for the CEO which includes a bonus pay out of 147% of salary reflecting strong business performance in 2021.

Financial year	Calculation methodology	P25 (Lower quartile)	P50 (median)	P75 (Upper quartile)
2021	C	75:1	55:1	38:1
2020	C	40:1	28:1	19:1
2019	C	67:1	48:1	32:1

Consistent with 2019 and 2020, calculation methodology C was used.

Full-time equivalent remuneration was calculated for all UK employees using the single total figure valuation methodology, with (two amendments: using 2020 bonus outcome as a proxy for 2021 bonus outcomes and excluding SAYE grants. The employees at the 25th, 50th and 75th percentile (P25, P50, P75) were identified. The total remuneration for 2021 of the three employees identified was updated after the year-end to include any annual bonus and SAYE values (if applicable).

This method was chosen as it is in line as much as possible with methodology A which is the government's preferred approach whilst taking account of operational constraints. The Committee is satisfied that the selected employees are representative.

The table below sets out the remuneration details for the individuals identified:

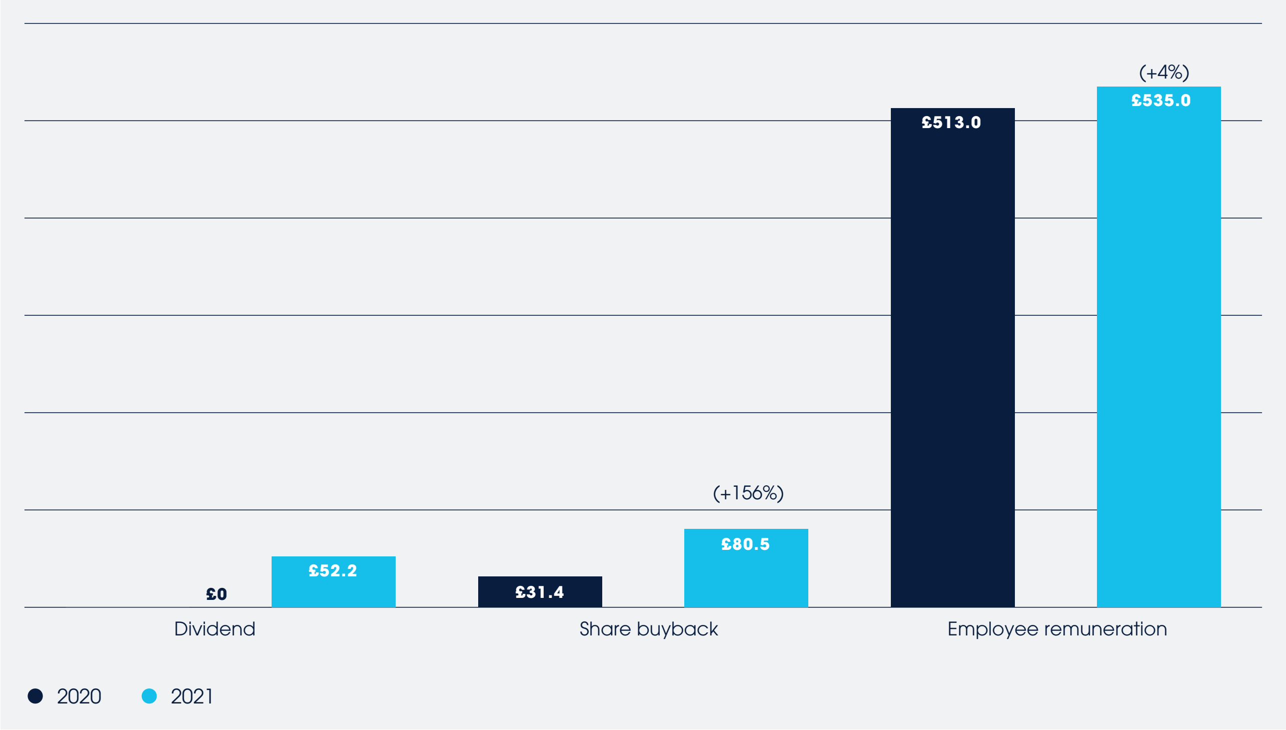
Year	Salary	CEO	P25	P50	P75
2021	Basic salary (£'000)	£799	£22	£26	£21
	Total remuneration (£'000)	£2,054	£28	£37	£54
2020	Basic salary (£'000)	£759	£23	£32	£34
	Total remuneration (£'000)	£939	£24	£33	£49
2019	Basic salary (£'000)	£757	£15	£28	£28
	Total remuneration (£'000)	£1,639	£24	£34	£52

The Committee is satisfied that the overall picture presented by the 2021 pay ratios is consistent with the reward policies for Inchcape's UK employees. The Committee takes into account these ratios when making decisions around the Executive Director pay packages, and Inchcape takes seriously the need to ensure competitive pay packages across the organisation.

RELATIVE IMPORTANCE OF SPEND ON PAY

The chart shows the percentage change in total employee pay expenditure and shareholder distributions (i.e. dividends and share buybacks) from 2020 to 2021.

Relative importance of spend on pay (£M)



The Directors are proposing a final dividend for 2021 of 16.1p per share (2020: 6.9p).

DILUTION LIMITS

During the year, options and awards granted under the Group's incentive plans were satisfied on exercise by market purchase shares. Dilution limits are monitored throughout the year by the Committee and the Company complies with the limits set by the Investment Association.

Issued share capital as at 31 December 2021	384m
All schemes – 10% over 10-year rolling period	38m
Remaining headroom for all schemes	21m
Executive schemes – 5% over a 10-year rolling period	19m
Remaining headroom for executive schemes	6m

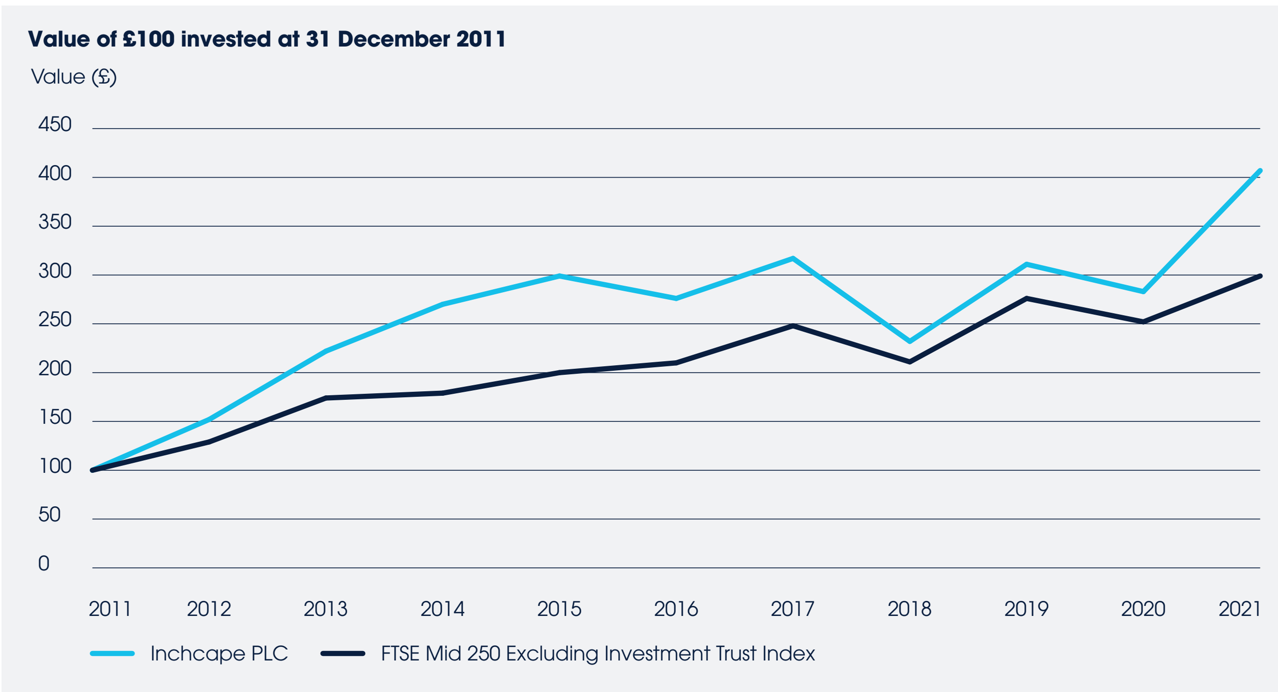
PAY FOR PERFORMANCE

The graph below shows the Total Shareholder Return (TSR) of the Company over the 10-year period to 31 December 2021.

The FTSE Mid 250 Excluding Investment Trust Index has been chosen as the most suitable comparator group as it is the general market index in which the Company appears. The table below details the Group Chief Executive's single figure remuneration and actual variable pay outcomes over the same period.

Historical TSR performance

Growth in the value of a hypothetical £100 holding over the 10 years to 31 December 2021.



	Group Chief Executive	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
CEO single figure of remuneration (£'000)	André Lacroix	2,165	4,400	5,265	294[1]	n/a	n/a	n/a	n/a	n/a	n/a
	Stefan Bomhard	n/a	n/a	n/a	2,906	1,403	3,006	2,430	1,522	471[2]	n/a
	Duncan Tait	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	468	2,054
Annual bonus outcome (% of maximum)		68%	48%	100%	56.8%	40.3%	67.6%	38.5%	n/a[6]	0%	100%
LTI vesting[3] outcome (% of maximum)		100%	66%	68%	n/a[4]	n/a[5]	79.6%	58%	40%	n/a[7]	n/a[8]

1. The amount for André Lacroix reflects remuneration received until he left the Group in March 2015.
2. The amount for Stefan Bomhard reflects remuneration received until he left the Group in June 2020.
3. LTI includes CIP, 'normal' PSP, 'enhanced' PSP and options prior to 2013.
4. Neither André Lacroix nor Stefan Bomhard received a vested award under the 2013 PSP or CIP. However, for those participants who did receive an award, 65.5% of the 2013 normal PSP vested and there was a 1.31 match for each share invested into the 2013 CIP.
5. Stefan Bomhard did not receive an award under the 2014 PSP or CIP. However, for those participants who did receive an award, 86.5% of the normal PSP vested and there was a 1.73:1 match for each share invested into the CIP.
6. Stefan Bomhard did not receive a bonus in 2019.
7. Neither Stefan Bomhard nor Duncan Tait received a vested award under the 2018 PSP or CIP. However, for those participants who did receive an award, 28.5% of the 2018 PSP vested and there was a 0.57:1 match for each share invested into the 2018 CIP.
8. Duncan Tait did not receive an award under the 2019 PSP or CIP. However for those participants who did receive an award, 40% of the PSP vested and there was a 0.08:1 match for each share invested into the 2019 CIP.

SHAREHOLDER CONTEXT

The table below shows the advisory vote on the Remuneration Report at the 2021 AGM:

	Total number of votes	% of votes cast
For (including discretionary)	357,761,605	98.61%
Against	5,054,989	1.39%
Total votes cast (excluding votes withheld)	362,816,594	100%
Votes withheld	12,806	
(Total votes cast including votes withheld)	362,829,400	

The table below shows the binding vote on the remuneration policy at the 2020 AGM:

	Total of votes	% of votes cast
For (including discretionary)	323,620,872	94.50%
Against	18,822,513	5.50%
Total votes cast (excluding votes withheld)	342,443,385	100%
Votes withheld	4,359,434	
(Total votes cast including votes withheld)	346,802,819	

Withheld votes are not included in the final proxy figures as they are not recognised as a vote in law.

EXIT PAYMENTS DURING THE YEAR

No exit payments were made to Directors during the year.

PAYMENTS TO PAST DIRECTORS

No payments were made to past Directors in 2021.

OTHER DIRECTORSHIPS

The Executive Directors are generally permitted to take one non-executive directorship as long as it does not lead to conflicts of interest or undue time commitment and is approved in advance by the Nomination Committee and the Board.

Gijsbert de Zoeten is a member of the supervisory board of Technical University Delft, for which he received a fee of €17,651 during 2021.

Duncan Tait currently serves as a non-executive director on the board of Agilisys Ltd for which he received a fee of £25,000 during 2021.

ADVISORS TO THE COMMITTEE

Ellason LLP was appointed as the independent remuneration advisor to the Committee effective 1 January 2021 following a tender process and was paid a fee of £66,613 for its services during the year.

Ellason LLP is a signatory to the Remuneration Consultant Group's Code of Conduct which sets out guidelines to ensure that any advice is independent and free of undue influence (which can be found at www.remunerationconsultantsgroup.com).

None of the individual Directors have a personal connection with Ellason LLP.

The Committee is satisfied that the advice it receives is objective and independent and confirms that Ellason LLP does not have any connection with the Company that may impair their independence. The Committee's advisors attend Committee meetings as required and provide advice on remuneration for executives, analysis of the remuneration policy and regular market and best practice updates. The advisors report directly to the Committee Chair. Fees are charged at an hourly rate in accordance with the terms and conditions set out in the relevant engagement letter.

The Directors' Report on Remuneration was approved by the Board and has been signed by Jane Kingston on its behalf.

JANE KINGSTON
CHAIR OF THE REMUNERATION COMMITTEE

DIRECTORS' REPORT

The Directors' Report for the year ended 31 December 2021 comprises pages 104 to 108 of this report (together with sections incorporated by reference).

Information required in the Management Report under DTR 4.1.8R can be found in the following sections: a review of the business and future developments on pages 2 to 39; principal risks and uncertainties on pages 48 to 56; a description of the Group's internal control framework is given on pages 79 and 80; a description of the Board's activities and the structure of its Committees is given on pages 60 to 103.

CORPORATE GOVERNANCE STATEMENT

The statement of compliance with the 2018 UK Corporate Governance Code is given on page 61. The Code is published on the Financial Reporting Council's website www.frc.org.uk. Information required under DTR 7 is given in the Corporate Governance Report on pages 68 to 103.

BOARD OF DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Nayantara Bali – joined May 2021
Jerry Buhlmann
Gijsbert de Zoeten
Rachel Empey – left April 2021
Alexandra Jensen
Jane Kingston
Sarah Kuijlaars – joined January 2022
John Langston
Nigel Stein
Duncan Tait
Till Vestring

In accordance with the 2018 UK Corporate Governance Code, all Directors will stand for election or re-election at the Annual General Meeting (AGM) on 19 May 2022. The Chairman has reviewed the performance of each Director and is satisfied that each continues to be effective and demonstrates commitment to the role. The appointment and replacement of Directors is governed by the Company's Articles of Association (the Articles), the UK Corporate Governance Code, the Companies Act 2006 and related legislation.

Subject to the Articles, the UK Corporate Governance Code and relevant legislation, the business of the Company is managed by the Board which may exercise all the powers of the Company.

SHAREHOLDERS

Engaging with our shareholders is important to the Company so that we are able to understand their views on the business and the key issues of importance to them. Any updates regarding the business, including presentations by the CEO, are available on the Group's website so that all shareholders have access to the same Company information at the same time.

As the top 20 shareholders own over 70% of the business, shareholder consultations, such as the remuneration policy, are carried out with this group. Extending the consultation to all shareholders would not be cost effective, and shareholders not involved in the consultation process are encouraged to use the AGM forum to express their views either by asking questions or voting on the relevant resolutions.

A dedicated email was put in place during the pandemic to allow shareholders to contact the Board members with any questions if they are unable to attend the AGM in person. This resource will remain in place to allow all shareholders to engage with the Company on any matters of interest to them.

CONFLICTS OF INTEREST

The Articles of Association permit the Board to authorise any matter which would otherwise involve a Director breaching his duty under the Companies Act 2006 to avoid conflicts of interest. When authorising a conflict of interest, the Board must do so without the conflicted Director counting as part of the quorum. In the event that the Board considers it appropriate, the conflicted Director may be permitted to participate in the debate but will be permitted neither to vote nor count in the quorum when the decision is being agreed. The Directors are aware that it is their responsibility to inform the Board of any potential conflicts as soon as possible and procedures are in place to facilitate disclosure.

DIRECTORS' INDEMNITY

A qualifying third-party indemnity (QTPI), as permitted by the Company's Articles of Association and sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company. Under the provisions of the QTPI the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgment is given against the Director. The indemnity has been in force for the financial year ended 31 December 2021 and until the date of approval of this report.

RESULTS AND DIVIDENDS

The Group's audited consolidated financial statements for the year ended 31 December 2021 are shown on pages 120 to 205. The level of distributable reserves is sufficient to pay a dividend.

The Board recommends a final ordinary dividend of 16.1p per ordinary share. If approved at the 2022 AGM, the final ordinary dividend will be paid on 21 June 2022 to shareholders registered in the books of the Company at the close of business on 13 May 2022.

The Company may, by ordinary resolution, declare a dividend not exceeding the amount recommended by the Board. Subject to the Companies Act 2006, the Board may pay interim dividends when the financial position of the Company, in the opinion of the Board, justifies its payment.

SHARE CAPITAL

As at 31 December 2021, the Company's issued share capital of £38,392,923.80 comprised 383,929,238 ordinary shares of 10.0p. Holders of ordinary shares are entitled to receive the Company's Report and Accounts, to attend and speak at General Meetings and to appoint proxies and exercise voting rights. The shares do not carry any special rights with regard to control of the Company. The rights are set out in the Articles of Association of the Company.

RESTRICTIONS ON TRANSFER OF SECURITIES

There are no restrictions or limitations on the holding of ordinary shares and no requirements for prior approval of any transfers. There are no known arrangements under which financial rights are held by a person other than the holder of the shares. Shares acquired through the Company share schemes rank pari passu with the shares in issue and have no special rights.

AUTHORITY TO PURCHASE SHARES

At the Company's AGM on 27 May 2021, the Company was authorised to make market purchases of up to 39,860,597 ordinary shares (representing approximately 10.0% of its issued share capital).

In the year ended 31 December 2021, the Company purchased for cancellation, 9,422,455 ordinary shares of 10.0p each at a cost of £80.5m, representing 2.45% of the issued share capital as at that date as part of the share buyback programme announced in July 2021.

The Directors have authority to issue and allot ordinary shares pursuant to article 9 of the Articles of Association and shareholder authority is requested at each AGM. The Directors have authority to make market purchases for ordinary shares and this authority is also renewed annually at the AGM.

INTERESTS IN VOTING RIGHTS

During the year, the Company had been notified of the following interests pursuant to the Financial Conduct Authority's Disclosure and Transparency Rules. The information below was correct at the date of notification. It should be noted that these holdings are likely to have changed since notified to the Company. However, further notification of any change is not required until the next threshold is crossed.

Shareholder	Number of shares	Date notified	Percentage notified
The Capital Group Companies Inc	19,200,206	16/02/2022	5.03%
abrdn plc	25,560,314	26/10/2021	6.60%
Polaris Capital Management LLC	15,693,793	13/09/2021	4.02%
Mr George Horesh	15,258,133	08/09/2021	3.90%

Source TR-1 notifications. These are updated on the Company's website.

RESTRICTIONS ON VOTING RIGHTS

There are no restrictions on voting rights.

EMPLOYEE BENEFIT TRUST

The Executive Directors of the Company, together with other employees of the Group, are potential beneficiaries of the Inchcape Employee Trust (the "Trust") and, as such, are deemed to be interested in any ordinary shares held by the Trust. At 31 December 2021, the Trust's shareholding totalled 349,149 ordinary shares.

In respect of LR 9.8.4R(12) and (13), the trustee of the Trust agrees to waive dividends payable on the shares it holds for satisfying awards under the various share plans.

DIRECTORS' INTERESTS

The table showing the beneficial interests, including family interests, in the ordinary shares of the Company of the persons who were Directors at 31 December 2021 is shown in the Directors' Report on Remuneration on page 99. There have been no changes to the number of shares held by Directors between 31 December 2021 and 25 February 2022.

CHANGE OF CONTROL

The Company is not party to any significant agreements that would take effect, alter or terminate upon a change of control of the Company following a takeover bid apart from certain of the Group's third-party funding arrangements which would terminate upon a change of control of the Company, such as the Group's revolving credit facility agreement. Further details are given in note 23 to the financial statements on page 168.

The Group's relationships with its OEM brand partners are managed at Group level, but the relevant contracts are entered into at a local level with day-to-day management being led by each operating business. Certain of the contracts may terminate on a change of control of the local contracting company.

The Company does not have agreements with any Director or employee providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to employees to vest on a takeover.

TRANSACTIONS WITH DIRECTORS

No transaction, arrangement or agreement, other than remuneration, required to be disclosed in terms of the Companies Act 2006 and IAS 24, 'Related Parties' was outstanding at 31 December 2021, or was entered into during the year for any Director and/or connected person (2020: none).

OTHER INFORMATION – LISTING RULES

For the purposes of LR 9.8.4 R, the information required to be disclosed by LR 9.8.4 R can be found on the pages set out below:

Section	Information	Page
1	Interest capitalised	Not material to the Group
2	Publication of unaudited financial information	102 (TSR graph)
4	Details of long-term incentive schemes	99
5	Waiver of emoluments by a director	Not applicable
6	Waiver of future emoluments by a director	Not applicable
7	Non pre-emptive issues of equity for cash	Not applicable
8	Non pre-emptive issue by a major subsidiary undertaking	Not applicable
9	Parent participation in a placing by a listed subsidiary	Not applicable
10	Contracts of significance	Not applicable
11	Provision of services by a controlling shareholder	Not applicable
12	Shareholder waiver of dividends	105
13	Shareholder waiver of future dividends	105
14	Agreements with controlling shareholders	Not applicable

STREAMLINED ENERGY AND CARBON REPORTING REGULATIONS (SECR)

We collect data for all material emissions for which we deem ourselves to be responsible and look for ways in which to minimise our footprint. Data is collected for two key performance indicators – Scope 1, our use of gas and fuel in vehicles we own and Scope 2, our global energy usage.

Methodology

Our carbon footprint is calculated by gathering monthly and quarterly energy consumption data. The methodology used to calculate the Group's greenhouse gas emissions is based on the GHG Protocol Corporate Accounting and Reporting Standard, and Mandatory Greenhouse Gas Reporting in line with HM Government guidance. The methodology uses conversion factors as published by the Department for Business, Energy and Industrial Strategy in 2021 and international electricity emission factors as published in the International Energy Agency's 'CO_2 Emissions from Fuel Combustion (2021 edition)'.

Data collection and reporting period

Data has been collected for all markets from 1 January 2021 to 31 December 2021. The level at which we report is by business unit for each market. This covers our retail operations, distribution operations and business service operations, which fall within our operational control boundary.

Intensity ratio

The Group's intensity ratio is revenue per tonne of CO_2e. This allows for a fair comparison over time of CO_2e emissions given the growth trajectory envisaged for the Group and cyclical variations in business activity. As required under the SECR regulations the following information relates to the energy consumed in our operations. The list of UK entities is given on page 204.

	2020		**2021**	
	UK & Offshore	Global*	**UK & Offshore**	**Global***
Total Energy Consumption – Used for Emissions Calculation (kWh)	42,598,399	143,020,042	**42,956,543**	**148,226,980**
Gas Combustion Emissions, Scope 1 (tCO_2e)	1,849	5,574	**2,486**	**5,746**
Purchased Electricity Emissions, Scope 2 (tCO_2e)	11,457	41,092	**6,100**	**37,078**
Vehicle Fuel Combustion Emissions, Scope 1 (tCO_2e)	0	6,453	**0**	**2,850**
Vehicle Fuel Combustion Emissions, Scope 3 (tCO_2e)	10,403	10,866	**9,151**	**9,561**
Purchased Heat, Steam and Cooling Emissions, Scope 2 (tCO_2e)	0	0	**0**	**0**
Total Gross Reported Emissions (tCO_2e)	24,309	112,090	**17,807**	**131,867**
Revenue (£m)	1.98	6.84	**1.89**	**7.64**
Intensity Ratio: Revenue (tCO_2e/£m)	12,284	16,393	**9,400**	**17,260**

Energy efficiency measures

As reported last year, no specific new energy efficiency measures were taken during 2020, to provide a comparison however during 2021, the energy management programme continued, including monitoring and targeted reporting of energy consumption on a daily basis at the majority of sites. Through the service provided by our energy consultants, the energy management programme we run enables us to identify and address any consumption issues as and when they arise, allowing us to eliminate unnecessary energy waste. Energy efficiency measures introduced in 2021 include:

- The installation of solar panels, totalling 493 kWH, at three sites by the end of 2021. This will save around 160 tonnes in CO_2 per year. In 2022, we have funding to install solar panels to every freehold property owned in the UK.
- Feasibility study and lighting plan is in progress to identify opportunities for the roll-out of LED lighting to the whole of the UK estate.
- Three new Jaguar Land Rover sites planned in 2022 will be the first in our UK estate to be 'gas free' with alternatives to as heating to be employed such as air and ground source heat pumps.
- We are replacing older heating, ventilation, and air conditioning control units with newer programmable controls to allow us to reduce the temperature swings and to set auto off times to avoid units running out of hours, including PIR and LUX sensors on lighting so they only turn on as and when someone is present, and light is needed.

EMISSIONS REDUCTIONS TARGETS

During 2021, the Group set emissions reduction targets for scope 1 and scope 2. Further details are given in the Responsible Business Report on page 38.

EMPLOYEES AND EMPLOYEE INVOLVEMENT

The Company is committed to a policy of treating all its colleagues and job applicants equally. We are committed to the employment of people with disabilities and will interview those candidates who meet the minimum selection criteria.

We provide training and career development for our employees, tailored where appropriate to their specific needs, to ensure they achieve their potential. If an individual becomes disabled while in our employment, we will do our best to ensure continued development in their role, including consulting them about their requirements, making appropriate adjustments and providing suitable alternative positions.

Successfully delivering the Accelerate strategy requires to evolve both what we do and how we do things. This includes continuing to build the winning culture we need to help deliver on our ambitions, a culture that is built through effective teamwork, fresh thinking, a focus on delivery, and putting our customers at the centre of everything we do.

In support of this, we have developed our new performance framework, called the One Inchcape Values & Behaviours. This framework sets out the values and behaviours we all need to live by at Inchcape. We have developed One Inchcape over the last couple of months based on research and testing with colleagues.

The Company has various employee policies in place covering a wide range of issues, such as family friendly policies, employment rights and equal opportunities. Policies are implemented at a local level and comply with any relevant legislation in that market. All policies are available on the Group's intranet and compliance is monitored at local level.

The Group's bonus and long-term incentive schemes are designed to encourage involvement in the Company's performance. UK employees are eligible to join the SAYE scheme, which is offered annually. Further details can be found in the Directors' Report on Remuneration on pages 84 to 103.

EMPLOYEE COMMUNICATION

Townhall meetings are held in each market on a regular basis and also following the release of any financial updates by the Company. The townhall meetings provide employees with information on the Group's performance and provide an opportunity for consulting employees on new initiatives or other matters that concern them. The Group's global intranet, iConnect, also provides a means of communicating important issues to employees.

The employee experience survey is the primary tool for obtaining the views of employees and the results of the survey are reported to the CSR Committee on an annual basis. The Chair of the CSR Committee is the designated Director for communicating the views of employees to the Board and she reports the findings to the Board following each meeting.

The consultation enables the Board to gain an understanding of how the employee experience is perceived and what actions can be taken to enhance this experience so employees feel challenged, excited, engaged and supported in their roles.

Further details can be found in the CSR Committee Report on pages 82 and 83.

DIVERSITY

The breakdown of the number of female and male employees who were (i) Directors of the Company, (ii) senior managers and (iii) employees of the Company as at 31 December 2021 is as follows:

	Male		Female		**Total**
Board	6	66.7%	3	33.3%	**9**
Senior	60	82.2%	13	17.8%	**73**
All employees	10,766	74%	3,786	26%	**14,553***

*one employee was non-defined

The Nomination Committee is responsible for succession planning on the Board and as such considers the recommendations of the Hampton-Alexander review and Parker review as part of the recruitment process. The Nomination Committee ensures that a broad mix of suitable candidates is put forward for consideration for vacancies.

As at 31 December 2021, the Company complies with the recommendations of the Hampton-Alexander review to have 33.3% female representation and the Parker review to have one board member of ethnic minority. With the appointment of Sarah Kuijlaars in January 2022, we now have 40% female representation on the Board.

BUSINESS RELATIONSHIPS

Having positive relationships with our OEM brand partners, our main suppliers, and our customers is imperative for the long-term success of the Company. Our OEM brand partner relationships are key to every part of our value chain and the length of these relationships, which are given on page 3, is testament to this strength.

We provide access to automotive ownership and support services throughout the customer journey and aim to deliver the best experiences for customers in our industry globally. The Board and management engage with customers through:

- Receiving daily reporting of customer feedback on www.reputation.com;
- Analysing sales force customer journey management platform; and
- Ongoing surveys at market level.

Further detail on engagement with our customers can be found on pages 16.

CULTURE

Please see page 74 for further information on how the Board monitors culture.

PRINCIPAL FINANCIAL RISK FACTORS

These risks are shown on pages 48 to 56.

FINANCIAL INSTRUMENTS

The information required under Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in respect of financial instruments is given in note 24 to the financial statements on pages 170 to 178.

BRANCHES OUTSIDE THE UK

The Company does not have any branches outside the UK.

EVENTS AFTER THE REPORTING PERIOD

On 15 February 2022, the Group's contract with a broker to purchase its own shares completed. A further 2,189,677 shares were repurchased, at a cost of £19.5m, and subsequently cancelled during this period. An amount of £0.2m equivalent to the nominal value of the cancelled shares, has been transferred to the capital redemption reserve.

POLITICAL DONATIONS

The Company did not make any political donations in 2021 and does not intend to make any political donations in 2022.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB)' and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group and parent company for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Make judgements and accounting estimates that are reasonable and prudent; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The Directors are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group and parent company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors, confirm that, to the best of their knowledge:

- The parent company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law), give a true and fair view of the assets, liabilities, financial position and loss of the Company;
- The Group financial statements, which have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- The Directors' Report includes a fair review of the development and performance of the business and the position of the Group and parent company, together with a description of the principal risks and uncertainties that it faces.

The Directors considered the key messages contained in the Strategic Report along with the disclosures made throughout to ensure that they are consistent, transparent and a true reflection of the business. The Directors also reviewed supporting documentation which addresses specific statements made in the report and the evidence to support those statements.

Following this review, the Directors consider, when taken as a whole, that the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

GOING CONCERN

Having assessed the principal risks and the other matters discussed in connection with the viability statement on page 56, the Directors consider it appropriate to adopt the going concern basis of accounting in the financial statements for the next 12 months.

AUDITOR AND DISCLOSURE OF INFORMATION TO THE AUDITOR

The auditor, Deloitte LLP, has indicated its willingness to continue in office. A resolution to reappoint Deloitte as auditor will be proposed at the AGM.

So far as the Directors are aware there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

ANNUAL GENERAL MEETING

The AGM will be held at 11.00 a.m. on Thursday, 19 May 2022 at The Royal Automobile Club, 89 Pall Mall, London SW1Y 5HS. The notice convening the meeting and the resolutions to be put to the meeting, together with the explanatory notes, are given in the Circular to all shareholders.

The Directors' Report was approved by the Board and has been signed by the secretary of the Company.

TAMSIN WATERHOUSE
GROUP COMPANY SECRETARY