



**Inchcape plc**

*(incorporated with limited liability in England and Wales)*

£350,000,000 6.500 per cent. Guaranteed Notes due 2028

**unconditionally and irrevocably guaranteed by**

**Inchcape Finance plc**

*(incorporated with limited liability in England and Wales)*

**Issue price: 99.500 per cent.**

The £350,000,000 6.500 per cent. Guaranteed Notes due 2028 (the **Notes**) are issued by Inchcape plc (the **Issuer**). The payments of all amounts in respect of the Notes will be unconditionally and irrevocably guaranteed by Inchcape Finance plc (the **Guarantor**).

Interest on the Notes will accrue from, and including, 9 June 2023 at the rate of 6.500 per cent. per annum and will be payable semi-annually in arrear on 9 June and 9 December in each year, commencing on 9 December 2023. The first payment of interest for the period from, and including, 9 June 2023 to, but excluding, 9 December 2023 and amounting to £32.50 per £1,000 in principal amount of the Notes shall be made on 9 December 2023. The Notes are subject to early redemption and the Issuer may, at its option, redeem all, but not some only, of the Notes either (i) at any time at par plus accrued interest, in the event of certain tax changes, (ii) at any time on or prior to 9 May 2028 at par, or if higher, an amount calculated by reference to the yield on the reference UK Treasury Stock plus a margin of 0.400 per cent., plus accrued interest, or (iii) at any time after 9 May 2028 at par plus accrued interest, each as described under "*Conditions of the Notes - Redemption and Purchase*". In addition, upon the occurrence of a change of control of the Issuer and, in certain circumstances, a related ratings downgrade (as further described under "*Conditions of the Notes - Redemption at the Option of the Noteholders following a Change of Control*") holders of the Notes may require the Issuer to redeem or, at the option of the Issuer, purchase (or procure the purchase of) the Notes at par plus accrued interest. The Notes mature on 9 June 2028. Payments of principal and interest on the Notes will be made without deduction for United Kingdom (**UK**) withholding taxes to the extent set out herein.

This Offering Circular has been approved as a prospectus for the purposes of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK Prospectus Regulation**) by the United Kingdom Financial Conduct Authority (the **FCA**), as competent authority under the UK Prospectus Regulation. The FCA only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the Guarantor or of the quality of the Notes that are the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes. Applications will be made to the FCA for the Notes to be admitted to the official list of the FCA (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for the Notes to be admitted to trading on the London Stock Exchange's main market (the **Market**). References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Joint Lead Managers (as defined in "*Subscription and Sale*") in accordance with Regulation S under the Securities Act (**Regulation S**), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes are expected on issue to be rated Baa2 by Moody's Investors Service Limited (**Moody's**). The Issuer has been assigned a corporate rating of Baa2 by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. As at the date of this Offering Circular, Moody's is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the EUWA (the **UK CRA Regulation**) and, as such, is included in the list of credit rating agencies published by the FCA on its website. Moody's is not established in the European Economic Area (**EEA**) but its ratings have been endorsed by Moody's Deutschland GmbH, and, accordingly may be used for regulatory purposes in the EEA in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the **CRA Regulation**).

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 9 June 2023 (the **Closing Date**) with BNP Paribas, Luxembourg Branch as common depositary. Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons not earlier than 40 days after the Closing Date (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for definitive Notes in bearer form in denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, each with interest coupons attached. See "*Summary of Provisions relating to the Notes while represented by the Global Notes*".

**An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 1.**

*Global Co-ordinators*

**BNP PARIBAS**

**MUFG**

*Active Joint Lead Managers*

**BNP PARIBAS**

**MUFG**

**NATWEST MARKETS**

**SANTANDER CORPORATE & INVESTMENT  
BANKING**

*Passive Joint Lead Managers*  
**ING** **STANDARD CHARTERED BANK**

The date of this Offering Circular is 7 June 2023

This Offering Circular comprises a prospectus for the purposes of Article 6 of the UK Prospectus Regulation.

The Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Offering Circular is in accordance with the facts and this Offering Circular makes no omission likely to affect its import.

This Offering Circular has been prepared for the purpose of giving information with regard to the Issuer, the Guarantor, the Group (as defined below) and the Notes, which, according to the particular nature and circumstances of the Issuer, the Guarantor, the Group and the Notes, is necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor and the Group, the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular should be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular. Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the FCA.

Neither the Joint Lead Managers (as defined in "*Subscription and Sale*" below) nor any of their respective affiliates have independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes. No Joint Lead Manager accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer or the Guarantor in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Joint Lead Managers.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or any of the Joint Lead Managers that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor, or any of the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Notes or to advise any investor in the Notes of any information coming to their attention.

The Notes may not be offered, sold or delivered within the United States or to U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements under the Securities Act is available. The Notes have not been and will not be registered under the Securities Act and are subject

to U.S. tax law requirements. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this Offering Circular, see "*Subscription and Sale*" below.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Joint Lead Managers do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor or the Joint Lead Managers which is intended to permit a public offering of the Notes or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the UK, the EEA (including Belgium) and Singapore; see "*Subscription and Sale*".

**EU MiFID product governance / Professional investors and eligible counterparties only target market**

– Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

**UK MiFIR product governance / Professional investors and eligible counterparties only target market**

– Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a **retail investor** means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail

investor in the UK. For these purposes, a **retail investor** means a person who is one (or both) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Singapore Securities and Futures Act Product Classification-** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**IN CONNECTION WITH THE ISSUE OF THE NOTES, BNP PARIBAS (THE STABILISATION MANAGER) (OR ANY PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including, but not limited to, any currency exchange risk where the currency for principal or interest payments is different from the potential investor's main operating currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Notes are legal investments for it, (b) the Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

## **PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION**

### **Certain Non-IFRS Measures**

This Offering Circular includes and incorporates by reference certain financial information which has not been prepared in accordance with the International Financial Reporting Standards (**IFRS**) but which have been derived from the audited financial statements of the Group. The Issuer believes that these alternative performance measures (**APMs**) (as defined in the ESMA guidelines on Alternative Performance Measures (the **ESMA Guidelines**)) provide useful supplementary information to both investors and to the Issuer's management, as they facilitate the evaluation of underlying business performance across financial reporting periods.

However, investors should note that, since not all companies calculate financial measurements, such as the APMs presented by the Issuer in this Offering Circular, in the same manner, these are not always directly comparable to performance metrics used by other companies.

Additionally, the APMs presented by the Issuer in this Offering Circular are unaudited and have not been prepared in accordance with IFRS or any other accounting standards. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS.

### **Unaudited Pro Forma Combined Financial Information**

The financial information included in this Offering Circular also comprises the unaudited pro forma consolidated income statement for the year ended 31 December 2022 (the **Unaudited Pro Forma Combined Financial Information**), which has been prepared for illustrative purposes only to illustrate the effect that the Derco Acquisition might have had on the Group if it had been completed on 1 January 2022. The Unaudited Pro Forma Combined Financial Information does not purport to project the Group's results of operations for any future period and it also does not reflect the impact of any potential synergies deriving from the Derco Acquisition.

### **Certain Defined Terms**

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed thereto in "*Conditions of the Notes*" or any other section of this Offering Circular. In addition, unless the context requires or this Offering Circular states otherwise, the following terms as used in this Offering Circular have the meanings defined below:

**CATS** means the CATS Group of Companies;

**Derco Acquisition** means the business combination whereby the Issuer acquired Derco;

**Derco** means Dercorp CL and Dercorp EX and their respective subsidiaries;

**Group** means the Issuer together with its consolidated subsidiaries; and

**OEMs** means original equipment manufacturers, mobility companies and partners.

### **Certain Conventions**

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All references in this Offering Circular to:

**AUD** are to the Australian Dollar, being the legal currency of Australia;

**CLP** are to the Chilean peso, being the legal currency of Chile;

**ETB** are to the Ethiopian Birr, being the legal currency of Ethiopia;

**EUR, Euro, euro** and € are to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

**JPY** are to the Japanese yen, being the legal currency of Japan;

**Sterling, GBP** and £ are to pounds sterling, being the legal currency of the UK; and

**U.S.\$, USD** and **U.S. dollars** are to United States dollars, being the lawful currency of the United States of America (the **United States** or the **U.S.**).

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## **RISK FACTORS**

*Each of the Issuer and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.*

*Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate.*

*Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations in respect of the Notes and the Guarantor's ability to fulfil its obligations in respect of the Guarantee**

#### ***The Group is exposed to cybersecurity and external information technology threats***

The operation of many of the Group's business processes depends on reliable information technology (IT) systems and infrastructure. Disruptions, cyberattacks and other security threats against the Group's business can be aimed at accessing confidential data, extracting money, or causing business interruption and could harm the Group's operations and reputation and have a significant adverse effect on the Group's earnings and financial position. Timely detection of cybersecurity and other security incidents is becoming increasingly complex, and the Group seeks to investigate and manage incidents with a view to prevent their recurrence. The Group relies on third parties where significant parts of maintenance and operations of the IT systems have been outsourced. The Group has taken precautions in the selection and ongoing management of these third parties, but events or incidents caused by vulnerabilities in their operations or products could cause disruption of operations, loss or leakage of data, reputational risk and financial losses, any of which could have a material adverse effect on the Group's business, results of operations or financial condition. This could in turn, affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

#### ***The Group is exposed to the risk that macroeconomic factors, including inflationary pressures and higher interest rates, could lead to an economic slowdown and reduced consumer demand in the markets in which it operates***

The Group's business is subject to general economic and social conditions. Geopolitical and macroeconomic conditions such as the war in Ukraine and ongoing high inflationary environment, affecting the supply chain or industries in which the Group's customers operate, may affect demand for its services, its financial performance and/or the operation of its business models.

In particular, the post-COVID-19 economic recovery experienced in certain economies, following government measures to support demand, has led to rising inflation. This has been exacerbated by the ongoing conflict in Ukraine and the persistence of COVID-related lockdowns in China. In combination with rising interest rates, there is the possibility of a global economic slowdown and reduced consumer confidence and demand across major economies, including in the markets in which the Group operates. Should consumer confidence and demand in the markets in which the Group operates decline as a result of macroeconomic conditions (including rising inflation and interest rates), demand for the Group's services may decline and the financial performance of the Group may be adversely affected. This could, in turn, affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group is exposed to disruptions to its supply chains***

The Group's ability to conduct its business and its overall performance and prospects depend and will continue to depend upon the ability of its OEM partners to supply vehicles and parts. This in turn depends upon the successful, timely and cost-effective acquisition by its OEM partners of a range of components, including semiconductors. The availability of components may be negatively affected by interruptions in production by suppliers; industrial actions, accidents or other similar events at suppliers' premises or along the supply chain; wars, pandemics and natural disasters; and the availability of transportation. These factors could adversely affect the Group's business, results of operations or financial condition which, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group is exposed to risks associated with health, safety, environmental measures and policies***

The Group's activities include manual activities and the operation of machinery and vehicles, sometimes in confined spaces. These activities expose the Group's employees to the risk of serious or fatal injury. Environmental contamination and toxicity from the use and disposal of chemicals may occur as a result of the Group's operations. The Group must comply with all environmental laws and regulations which may affect its operations. These laws and regulations set various standards regulating certain aspects of health, safety, security and environmental quality, provide for civil and criminal penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted.

The Group cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by the Group for the installation and operation of systems and equipment for remedial measures, any or all of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects which, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group is exposed to risks associated with margin pressure, including on the production and sale of electric vehicles***

The performance of the Group's business is in part dependent on the margins which it is able to realise on the services it supplies to its customers. As the markets in which the Group operates continue to develop, the Group is exposed to the risk that its margins may come under pressure due to a range of factors, including the introduction of new routes to market and the potential for additional cost pressure as OEMs seek to maintain their own margins. For example, OEMs may choose to retail directly to the end-consumers or deploy an agency retail model, in which case the Group's role may be limited to acting as an operator of an OEM system, rather than providing its own systems to customers.

Moreover, in response to a changing climate, the Group's OEM partners are developing new ranges of electric vehicles (EVs). For most manufacturers, EVs are more costly to produce and offer lower margins compared to vehicles powered by internal-combustion engines (ICE). The Group's OEM partners are required to invest heavily in retooling to develop new models and platforms. EVs may therefore be less profitable to produce than ICE vehicles, or may not be profitable at all. As EV market share grows, supported by government incentives, the Group is exposed to the risk that lower margins will be available to all participants in the value chain, including distributors and retailers, such as the Group, which may have an adverse effect on the business of the Group and its results of operations and could in turn, affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***Any significant changes to the incentives regimes for the importation, sale and use of electric (including hybrid) vehicles in the jurisdictions in which the Group operates could have a negative impact on the Group's performance***

The regulatory environment for electric and hybrid vehicles in the jurisdictions in which the Group operates is evolving. Regulatory changes that restrict, affect or influence sales of such vehicles, such as the withdrawal of subsidies and changes to the way in which such vehicles are classified for taxes and customs duties, may have a negative effect on the sales of the Group. A substantial change in these and other laws and regulations governing the importation, sale and use of electric (including hybrid) vehicles could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects in the event that the Group is unable to adequately respond or react to such changes. In addition, any changes in such laws and regulations could increase costs, which would decrease the Group's revenues and profitability.

The regulatory environment in which the Group operates is evolving. Regulatory changes, such as changes to emissions regimes, the imposition of restrictions or quotas on sales of all or some ICE vehicles, or the imposition of restrictions on the way in which vehicles are financed and insured, that affect sales of vehicles, may have an adverse effect on the performance of the Group. A substantial change in these and other laws and regulations governing the automotive industry in the jurisdictions in which the Group operates could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. In addition, any changes in the laws and regulations governing the automotive sector or adverse outcomes of regulatory reviews of the Group could increase the costs of compliance with regulations, which would decrease the Group's revenues and profitability. Any such material adverse effect or decrease in revenues and profitability could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group is exposed to jurisdictions that are subject to material political, economic, supply chain, legal, regulatory, tax and social uncertainties***

The Group conducts business across a variety of jurisdictions, including Latin America, Ethiopia and Greater China. As a result, the Group is exposed to material political, economic, supply chain, legal, regulatory, tax and social risks arising in some or all of these jurisdictions. These risks potentially include:

- instability in political, constitutional, economic or financial systems;
- uncertainty arising around rapidly changing legal, regulatory and tax systems;
- nationalisation of property;
- bribery and corruption;
- civil strife, war, hostilities and armed conflict;
- capital controls or price controls;
- currency exchange restrictions or currency devaluation;
- foreign ownership limitations; and
- restrictions or the imposition of tariffs or duties on imports of certain goods or exchange controls.

It may be difficult or impossible to obtain insurance coverage to protect against civil strife, outbreaks of infectious disease, acts of war, labour unrest, armed conflict and other security incidents and as a result, the Group's insurance programmes may generally exclude this coverage. Consequently, such risks could have a material adverse impact on the Group's business, financial condition, results of operations and/or prospects.

Any of the above or other factors could restrict the ability of the Group to conduct its businesses (through an inability to execute business operations and strategies effectively) and reduce the value of those businesses, which could have a material adverse effect on the business, financial condition, results of operations and/or

prospects of the Group and subsequently affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***If the Group is unable to retain key members of its executive management and/or recruit and retain new qualified personnel in a timely manner, this could have an adverse effect on the business of the Group***

The calibre and performance of management personnel and other employees, taken together, is important to the success of the Group and, while plans are in place for the retention of management personnel and other key employees, there can be no assurance that the Group will not lose key personnel (or a significant number of personnel). The departure of key or of a significant number of management personnel or employees could adversely affect both the Group's ability to conduct its businesses (through an inability to execute business operations and strategies effectively) and the value of those businesses, which could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group. Similarly, as the business of the Group develops, it is increasingly important that the Group effectively trains its existing employees and develops the skills required to compete in its industry, with capabilities relating to digital marketing and data analytics, mergers and acquisitions, used car retailing, change management and leadership of particular importance.

While the Group believes that it has effective staff recruitment, training and incentive programmes in place, its failure to recruit, train and/or retain necessary personnel or the shortage of qualified personnel, could have a material adverse effect on its business, results of operations and financial condition. This, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group may fail to implement and manage its business strategy***

Delivery of the Group's strategic priorities is rapidly transforming many aspects of its business. As the Group seeks to implement its strategy of utilising technology to provide services covering additional elements of the vehicle lifecycle and increasing digitisation of the distribution process (see "*Description of the Issuer – Strategy of the Group*" for further information), there is a risk that the Group lacks the capacity to deliver the total portfolio of business change at pace while maintaining expected performance levels. Success depends on delivery of a number of enabling programmes, including improving the Group's omni-channel, data and analytics capabilities and back office and customer-facing systems capabilities. If these programmes are not successfully implemented, it could result in delays or increased costs, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects which, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group may not realise some or all of the expected benefits of recent or future acquisitions***

The Group has engaged in and may continue to engage in acquisitions of businesses, technologies, services, products and other assets from time to time. Any such acquisition entails various risks, including that the Group may not be able to accurately assess the value, strengths and weaknesses of the acquisition or investment targets, effectively integrate the purchased businesses or assets, achieve the expected synergies or recover the purchase costs of the acquired businesses or assets. The Group may also incur unanticipated costs or assume unexpected liabilities and losses in connection with any business or asset it acquires, including in relation to the retention of key employees, legal contingencies (such as, contractual, financial, regulatory, environmental or other obligations and liabilities) and business-specific risks, and the maintenance and integration of procedures, controls and quality standards. These difficulties could impact the Group's ongoing business, distract its management and employees and increase its expenses which could, in turn, have a material adverse effect on its business, financial position and results of operations.

For example, the Group and Derco previously operated as two separate and independent businesses. The Derco Acquisition requires the ongoing integration of Derco with the existing businesses carried on by the Group and the success of the Group will depend, in part, on the effectiveness of the integration process and the ability of the Group to realise the anticipated benefits and synergies from combining the respective businesses.

In particular, some of the key integration challenges of combining the businesses include consolidation and co-ordination of services and operations, retaining key contracts, maintaining relationships with customers and suppliers, harmonising business cultures, consolidating infrastructure, procedures, processes, facilities, systems and policies and compensation structures, realising synergies, and retaining key employees of the Group. If the Group does not properly manage these challenges, they may affect the effective running of the business in the ordinary course and the efficient allocation, including redeployment, of resources in the Group.

While the Issuer believes that the business growth opportunities, cost savings and synergies expected to arise from the Derco Acquisition have been reasonably estimated, unanticipated events or liabilities may arise which could result in a delay or reduction in the benefits derived from the Derco Acquisition, or lead to costs significantly in excess of those estimated, including any additional and unexpected challenges and/or costs associated with integrating Derco into the Group. Such challenges and/or costs could arise from: the redeployment of resources in different areas of operations to improve efficiency; the diversion of management attention from ongoing business concerns to the Derco businesses (and their integration within the Group); and addressing possible differences between the Group's business culture, processes, controls, procedures and systems and those of Derco. To the extent that the Group incurs higher integration costs or achieves lower synergy benefits than expected, the Group's business, financial condition, results of operations and/or prospects may be adversely affected which, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group is exposed to jurisdictions with inherent risks relating to fraud, bribery and corruption***

The Group conducts business in a number of jurisdictions that have been allocated low scores on Transparency International's "Corruption Perceptions Index". Doing business in developing countries brings with it inherent risks associated with fraud, bribery and corruption. Fraud, bribery and corruption are more common in some jurisdictions than in others. Whilst the Group maintains anti-corruption training programmes, codes of conduct and other safeguards designed to prevent the occurrence of fraud, bribery and corruption, it may not be possible to detect or prevent every instance of fraud, bribery or corruption in every jurisdiction in which its employees, agents, sub-contractors or joint venture partners are located. The Group may therefore be subject to civil and criminal penalties and to reputational damage.

Instances of fraud, bribery and corruption, and violations of laws and regulations (including the UK Bribery Act 2010) in the jurisdictions in which the Group operates could have a material adverse effect on its business, financial condition, results of operations and/or prospects which, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group's internal controls may not be effective in all circumstances and may leave it exposed to unidentified or unanticipated risks, which could result in material losses***

There can be no assurance that the Group's risk management and internal control policies and procedures will adequately control, or protect the Group against all risks. The Group also cannot give assurance that all of its staff have adhered, or will adhere to, its policies and procedures. The Group is susceptible to, amongst other things, failure of internal processes or systems, unauthorised transactions by employees and operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems, and fraud by employees or outsiders. The Group's internal control capabilities are also limited by the information tools and technologies available to it. Any material deficiency in the Group's other internal control policies or procedures may expose it to the risk of fraud or its financial reports being misstated either in error or deliberately, which may have a material adverse effect on the Group's business, results of operations and financial condition. This, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group is exposed to foreign exchange volatility via exposure to local currencies***

The Group sells goods and services predominantly in the domestic currencies where it operates, whereas the input costs (new vehicles and parts) in some markets are procured in different currencies. Exposures exist

particularly in Australia (AUD vs JPY), Ethiopia (ETB vs USD) and South America (JPY and USD vs CLP). This transactional currency exposure can create margin pressure in the event of a devaluation of the domestic currency. The Group is also impacted by translational exchange rate effects on its non-GBP earning and net assets. A significant strengthening of GBP would reduce the value of the foreign earnings (in GBP terms).

Furthermore, in the event of any constrained global foreign exchange market for local currencies, the Group may be unable to convert certain quantities of local currency to pounds sterling, which could limit the Group's ability to distribute cash to other jurisdictions within the Group.

Any of the above could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects which, in turn, may affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group faces significant competition in its industry, whether through efforts of new or current competitors, which may adversely affect the Group's competitive position***

The markets for most of the Group's services are highly competitive. The Group is exposed to the competitive characteristics of several different geographic markets and industries. Moreover, new products and technologies, such as direct online retail, subscription/rental models, mobility solutions or combined EV and charging packages, may develop in the future which compete with the services offered and technologies utilised by the Group. All of the above could hinder the Group's ability to compete effectively in the markets in which it operates in the future and its business, results of operations or financial condition may suffer as a result. The above factors could, in turn, affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group's business, results of operations, financial performance, financial position and/or future prospects may be adversely affected by the outbreak, or threatened outbreak, of COVID-19 and/or any other severe communicable disease***

The varying pace of the COVID-19 pandemic recovery across different regions could affect the operations of the Group's customers and/or demand for their products, which in turn, could affect the demand for the Group's services. In particular, the impacts of large scale lockdowns in key manufacturing and production centres (such as in China) may result in supply disruption affecting both the Group and its customers.

The duration and expected development of the COVID-19 pandemic is unknown, and no predictions can be made in relation to future impacts. A prolongation or worsening of the virus outbreak would, however, be expected to lead to increased pressure on margins, reduced capital availability for both the Group and for its customers and supply chain interruptions, which may negatively affect the Group's financial performance and could have a material adverse effect on the Group's business and financial development. This, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group may be unable to maintain good commercial relationships with third parties, including OEMs***

Certain material contractual agreements, including in particular distribution agreements with OEMs are heavily relationship-based and moreover, in some cases, there are no formal written contracts with the third parties, or the contracts with the third parties will be short-form. Even where there is a formal written contract in place between the Group and the third party, these are generally terminable on a period of notice of 12 months or less. Accordingly, if the Group is unable to maintain good commercial relationships with its third parties, including its OEM partners, the third parties may elect to terminate the current arrangements, and there may be a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group. This, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

The Group has individual distribution contracts, several of which have been in place for many years. The loss of such contracts would have a significant impact on the Group's revenue and profit, as well as future growth

opportunities. The cancellation of a number of smaller contracts at the same time could have a similar impact. The underlying factors which could contribute to this risk may include:

- Unattractive value proposition for OEM partners;
- Failure to meet OEM standards;
- Non-compliance with the terms of distribution agreements;
- Failure to deliver growth strategy;
- New competitors; and
- Major operational incident, e.g. cyber incident or fraud.

***The Group's indebtedness could adversely affect its ability to raise additional capital to fund its operations and limit its ability to react to changes in the markets in which the Group operates***

In connection with the Derco Acquisition, the Group entered into a bridge and term facilities agreement and drew down the full £600 million available thereunder to fund part of the cash consideration payable in respect of the Derco Acquisition. As a result, the Derco Acquisition increased the overall indebtedness and financial leverage of the Group, which resulted in increased repayment commitments and borrowing costs. This could limit the Group's commercial and financial flexibility, causing it to reprioritise the uses to which its capital is put to the potential detriment of its business or other stakeholders. As at 31 December 2022, the Group had £1,441.9 million of borrowings (current and non-current) and it may incur additional indebtedness in the future to finance the growth of its business.

In the longer term, this increased level of debt could have the effect, among other things, of reducing the Group's flexibility to respond to changing business and economic conditions. In addition, the amount of cash required to service the Group's increased debt levels and increased aggregate dividends will increase, therefore putting greater pressure on the Group's cash resources. Increased levels of debt and dividends could, in the longer term also reduce funds available for the Group's investments in capital expenditure, further M&A activities, share repurchases and other activities and may create competitive disadvantages for the Group relative to other companies with lower debt levels. This, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***As a result of the Derco Acquisition, the Group has greater reliance on certain commercial counterparties, including certain OEMs with which the Group has no previous trading relationships***

The Group relies on its relationships with OEMs in the context of its Distribution business. See "*Description of the Issuer – The Business of the Group – Distribution*". Prior to the Derco Acquisition, Derco maintained strong existing relationships with a number of key commercial counterparties, including Suzuki and, as a result of the Derco Acquisition, the Group has increased reliance on the strength of the product portfolio of such existing counterparties and the continuation of strong existing relationships. Derco also maintained contacts with a number of OEMs with which the Group did not maintain any commercial relationships. These include Haval, Renault and Joylong, which together represented approximately 11 per cent. of Derco's sales in the financial year ended 31 December 2021. Accordingly, if the Group is unable to meet the ongoing requirements of these OEMs or the Group's relationships with such OEMs break down, this could adversely affect the Group's Distribution business. If this were to occur, there may be a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group which, in turn, could affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

***The Group is exposed to the risk of legal claims and proceedings in the ordinary course of its business and the results of these claims and proceedings cannot be predicted and in some cases may adversely impact the Group***

Several of the Group's companies are party to legal claims and proceedings arising in the ordinary course of business. The Group believes there are valid defences for the claims and proceedings and intends to defend against the claims. However, the results of legal claims and proceedings cannot be predicted with certainty. In the event that the Group's assessment of any of the legal claims and proceedings proves inaccurate or material claims and proceedings arise in the future, they may result in a material adverse effect on the Group. Responding to legal claims and proceedings, even those that are ultimately not meritorious, may require the Group to incur significant expense and devote significant resources to such responses, which could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. This could subsequently affect the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes and the Guarantor's ability to pay amounts due under the Guarantee.

### ***The Guarantor is a finance company***

The Guarantor is over 99 per cent. owned by the Issuer with one share being held by Inchcape Corporate Services Limited. Its principal activity is to act as a finance company for the Group, including by way of borrowing or providing guarantees in respect of borrowings of the Group. The Guarantor has no revenue generating operations of its own and therefore the ability of the Guarantor to satisfy its payment obligations under the Guarantee will be dependent upon the financial support provided to it by other members of the Group. Should other members of the Group be unable to provide financial support to the Guarantor, the Guarantor may be unable to satisfy its payment obligations under the Guarantee.

### **Risks related to the Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally:

#### ***The claims of Noteholders are structurally subordinated***

The Issuer is a holding company which conducts substantially all of its operations through its subsidiaries and, accordingly, the claims of Noteholders under the Notes will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's subsidiaries. In addition, even if the Issuer is a creditor of any of its subsidiaries, its rights as a creditor would be subordinated to any existing security interest in the assets of such subsidiary. While the Notes are guaranteed by the Guarantor, the Guarantor has no revenue generating operations and therefore the ability of the Guarantor to satisfy its payment obligations under the Guarantee will be dependent upon the financial support provided to it by other members of the Group. See "*Risk Factors – The Guarantor is a finance company*". In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of the Issuer's subsidiaries, unsecured creditors of such subsidiaries, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application will have the right to be paid in full before any distribution is made to the Issuer.

#### ***Early redemption by the Issuer at its option***

Optional redemption features may limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes is unlikely to rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. In addition, depending on prevailing market conditions at the time, an investor receiving the proceeds of an early redemption of the Notes may not be able to reinvest those proceeds in a comparable security at an effective interest rate as high as that carried by the Notes.

#### ***Modification***

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.



### ***Change of law or administrative practice***

The conditions of the Notes and the Guarantee are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of the Notes.

### ***No limitation on issuing pari passu securities***

There is no restriction on the amount of securities which the Issuer may issue and which rank *pari passu* with the Notes. The issue of any such securities may reduce the amount recoverable by holders on a winding up of the Issuer.

### ***The denominations of the Notes involve integral multiples: definitive Notes***

The Notes have denominations consisting of a minimum of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. It is possible that the Notes may be traded in amounts that are not integral multiples of £100,000. In such a case a holder who, as a result of trading such amounts, holds a principal amount which is less than £100,000 in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of £100,000, such that its holding amounts to £100,000 or a higher integral multiple of £1,000. Further, a holder who, as a result of trading such amounts, holds a principal amount which is less than £100,000 in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to £100,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of £100,000 may be illiquid and difficult to trade.

### ***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

The Notes will be represented on issue by the Global Notes which will be deposited with a common depository for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Except in the circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes held through it. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Notes must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

### **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

### ***The secondary market***

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. As such, the Notes generally will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes. Investors should be prepared to hold their Notes until their stated maturity date.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer, the Guarantor and other entities in the Group.

Although application has been made for the Notes to be admitted to listing on the Official List and to trading on the Market, there is no assurance that such application will be accepted or that an active trading market will develop.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in Sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to Sterling would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### ***Interest rate risks***

Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, fixed income securities. During periods of rising interest rates, the prices of fixed income securities, such as the Notes, tend to fall and gains are reduced or losses are incurred upon their sale. Accordingly, investment in the Notes involves the risk that changes in market interest rates may adversely affect the value of the Notes.

### ***Credit ratings may not reflect all risks***

The Notes, upon issue, are expected to be rated Baa2 by Moody's. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In general, European regulated investors are restricted under the CRA Regulation from using a rating for regulatory purposes in the EEA if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless (1) the rating is provided by a third country credit rating agency not established in the EEA but that is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a third country credit rating agency not established in the EEA which is certified

under the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of any rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published, shall be incorporated in, and form part of, this Offering Circular:

- (a) the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2021 set out at the following pages and available at <https://www.inchcape.com/wp-content/uploads/2022/03/inchcape-annual-report-2021.pdf>:

Independent Auditor’s Report to the members of Inchcape plc	Pages 110-119
Consolidated Income Statement	Page 120
Consolidated Statement of Comprehensive Income	Page 121
Consolidated Statement of Financial Position	Page 122
Consolidated Statement of Changes in Equity	Page 123
Consolidated Statement of Cash Flows	Page 124
Accounting Policies	Pages 125-135
Notes to the Financial Statements	Pages 136-185
Alternative Performance Measures	Pages 186-187

- (b) the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2022 set out at the following pages and available at <https://www.inchcape.com/wp-content/uploads/2023/04/Annual-Report-and-Accounts-2022-1.pdf>:

Independent Auditor’s Report to the members of Inchcape plc	Pages 124-135
Consolidated Income Statement	Page 136
Consolidated Statement of Comprehensive Income	Page 137
Consolidated Statement of Financial Position	Page 138
Consolidated Statement of Changes in Equity	Page 139
Consolidated Statement of Cash Flows	Page 140
Accounting Policies	Pages 141-151
Notes to the Financial Statements	Pages 152-205
Alternative Performance Measures	Pages 206-208

Any statement made in this Offering Circular or in a document incorporated by reference or deemed incorporated herein by reference is deemed to be modified or superseded for purposes of this Offering Circular if, and to the extent that, a statement contained in this Offering Circular or in any other document subsequently incorporated or deemed incorporated by reference herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference lists above) are either not relevant for investors or covered elsewhere in this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from website of the Issuer at <https://www.inchcape.com/>.

## CONDITIONS OF THE NOTES

*The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form:*

The £350,000,000 6.500 per cent. Guaranteed Notes due 2028 (the **Notes**, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 14 and forming a single series with the Notes) of Inchcape plc (the **Issuer**) are issued subject to and with the benefit of an Agency Agreement dated 9 June 2023 (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between the Issuer, Inchcape Finance plc (the **Guarantor**) as guarantor, BNP Paribas, Luxembourg Branch as fiscal agent and principal paying agent (the **Fiscal Agent**) and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the **Paying Agents**). The holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively) are entitled to the benefit of a Deed of Covenant (the **Deed of Covenant**) dated 9 June 2023 and made by the Issuer. The original of the Deed of Covenant is held by the Common Depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours by the Noteholders and Couponholders at the specified office of each of the Paying Agents and (ii) may be provided by email to a Noteholder or Couponholder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent). The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000, each with Coupons attached on issue. No definitive Notes will be issued with a denomination above £199,000. Notes of one denomination may not be exchanged for Notes of any other denomination.

#### 1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

Notes shall not be physically delivered in Belgium except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

#### 1.3 Holder Absolute Owner

The Issuer, the Guarantor and any Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

## 2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

## 3. GUARANTEE

### 3.1 Guarantee

The payment of the principal and interest in respect of the Notes has been unconditionally and irrevocably guaranteed by the Guarantor under a guarantee (the **Guarantee**) dated 9 June 2023 and executed by the Guarantor.

### 3.2 Status of the Guarantee

The obligations of the Guarantor under the Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights. The original of the Guarantee is held by the Fiscal Agent and copies (i) are available during normal business hours for inspection or collection by the Noteholders and Couponholders at its specified office and (ii) may be provided by email to a Noteholder or Couponholder following their prior written request to the Fiscal Agent and provision of proof of holding and identity (in a form satisfactory to the Fiscal Agent).

## 4. NEGATIVE PLEDGES

### 4.1 Negative Pledges

So long as any of the Notes remains outstanding (as defined in the Agency Agreement):

- (a) the Issuer will not, and the Issuer will procure that none of its Subsidiaries (as defined below) will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Subsidiaries to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
  - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; and
- (b) the Guarantor will not create or have outstanding any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Guarantor to secure any Relevant Indebtedness, unless the Guarantor, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution of the Noteholders.

## 4.2 Interpretation

For the purposes of these Conditions:

**Relevant Indebtedness** means: (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness; and

**Subsidiary** means any entity which is a subsidiary within the meaning of Section 1159 of the Companies Act 2006.

## 5. INTEREST

### 5.1 Interest Rate and Interest Payment Dates

The Notes bear interest from and including 9 June 2023 at the rate of 6.500 per cent. per annum (the **Rate of Interest**), payable semi-annually in arrear on 9 June and 9 December in each year (each an **Interest Payment Date**), commencing on 9 December 2023. The first payment (representing a full six months interest for the period from and including 9 June 2023 to but excluding 9 December 2023 and amounting to £32.50 per Calculation Amount (as defined below)) shall be made on 9 December 2023.

### 5.2 Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 12.

### 5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full six months, it shall be calculated by applying the Rate of Interest to each £1,000 in principal amount of Notes (the **Calculation Amount**) and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the **Accrual Date**) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date multiplied by two. The resultant figure shall be rounded to the nearest penny, with half a penny being rounded upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.



## 6. PAYMENTS

### 6.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

### 6.2 Method of Payment

Payments will be made by credit or transfer to a Sterling account maintained by the payee with a bank in London.

### 6.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

### 6.4 Payments subject to applicable laws

Payments in respect of principal and interest on the Notes are subject in all cases to (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

### 6.5 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date.

**Presentation Date** means a day which (subject to Condition 9):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a Sterling account in London as referred to above, is a Business Day in London.

In these Conditions, **Business Day** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place.

## 6.6 Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Fiscal Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be at least one Paying Agent (which may be the Fiscal Agent) having a specified office in the place required by the rules and regulations of the relevant stock exchange or any other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer or the Guarantor is incorporated.

Notice of any variation, termination, appointment and/or of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 12.

## 7. REDEMPTION AND PURCHASE

### 7.1 Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 9 June 2028 (the **Maturity Date**).

### 7.2 Redemption for Taxation Reasons

If:

- (a) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (as defined in Condition 8), or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after 7 June 2023, on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 or (ii) the Guarantor would (if a demand was made under the Guarantee) be required to pay such additional amounts; and
- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent to make available at its specified offices to the Noteholders (i) a certificate signed by two Authorised Signatories (as defined in the Agency Agreement) of the Issuer stating the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of the change or amendment.

### 7.3 Redemption at the Option of the Issuer

The Issuer may, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 and to the Fiscal Agent (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes on any Business Day in London at the Relevant Early Redemption Price, together with accrued interest up to (but excluding) the date of redemption.

For the purposes of this Condition 7.3, **Relevant Early Redemption Price** means in respect of each Note:

- (i) in relation to any date fixed for redemption which falls in the period up to and including 9 May 2028:
  - (1) the principal amount of such Note; or, if higher;
  - (2) the principal amount of such Note multiplied by the price, expressed as a percentage rounded to four decimal places (0.00005 being rounded upwards), at which the Gross Redemption Yield on the Notes, if they were to be purchased at such price on the second Business Day (as defined in Condition 6.5) in London prior to the date fixed for redemption and remain outstanding until their original maturity date, would be equal to the sum of (A) the Gross Redemption Yield on such Business Day of the 0.125 per cent. Treasury Stock due 2028 (ISIN: GB00BMBL1G81) or, if such stock is no longer in issue, of such other United Kingdom government stock as the Determination Agent, with the advice of three leading brokers operating in the gilt-edged market and/or gilt-edged market makers as are selected by the Determination Agent, shall determine to be appropriate (the **Reference Stock**) on the basis of the middle market price of the Reference Stock at 11.00 a.m. (London time) on such Business Day, and (B) a margin of 0.400 per cent., all as determined by an independent adviser with appropriate expertise or an independent investment bank, selected by the Issuer (the **Determination Agent**); or
- (ii) in relation to any date fixed for redemption which falls in the period from but excluding 9 May 2028 to but excluding the Maturity Date, the principal amount of such Note.

Any reference in these Conditions and the Agency Agreement to principal shall be deemed to include any sum payable as the Relevant Early Redemption Price.

For the purposes of this Condition 7.3, the **Gross Redemption Yield** means, with respect to the Notes and the Reference Stock, the gross redemption yield on such security calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields" page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published on 8 June 1998 and updated on 15 January 2002 and on 16 March 2005 and as further updated or amended from time to time) on a semi-annual compounding basis (rounded up (if necessary) to four decimal places), or if the Determination Agent advises the Issuer that such formula does not reflect generally accepted market practice at the time of redemption, the Gross Redemption Yield calculated by the Determination Agent in accordance with generally accepted market practice at such time.

### 7.4 Redemption at the Option of the Noteholders following a Change of Control

- (a) A **Put Event** will be deemed to occur if:

- (i) any Person or any Persons acting in concert (as defined in the City Code on Takeovers and Mergers) shall become interested (within the meaning of Part 22 of the Companies Act 2006, as amended) in (a) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (b) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer (such event being a **Change of Control**); and
- (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (x) the date of the first public announcement of the relevant Change of Control; and (y) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Notes carry from any of Fitch, S&P or Moody's or any other rating agency (each, a **Substitute Rating Agency**) of equivalent international standing specified by the Issuer from time to time or any such Substitute Rating Agency's successor (each, a **Rating Agency**) at the invitation of the Issuer:
  - (A) an investment grade credit rating (Baa3/BBB-, or equivalent, or better), and such rating from any Rating Agency is within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
  - (B) a non-investment grade credit rating (Ba1/BB+, or equivalent, or worse), and such rating from any Rating Agency is within the Change of Control Period downgraded by one or more notches (for illustration, Ba1/BB+ to Ba2/BB being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or
  - (C) no credit rating and a Negative Rating Event also occurs within the Change of Control Period,

provided that if on the Relevant Announcement Date the Notes carry a credit rating from more than one Rating Agency at the invitation of the Issuer, at least one of which is investment grade, then sub-paragraph (A) will apply; and

- (iii) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the occurrence of the Change of Control or the Relevant Potential Change of Control Announcement.

If the rating designations employed by any of Fitch, S&P or Moody's are changed from those which are described in sub-paragraph (ii) of this Condition 7.4(a), or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine the rating designations of Fitch, S&P or Moody's or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of Fitch, S&P or Moody's, and this Condition 7.4 shall be read accordingly.

- (b) If a Put Event occurs, the holder of any Note will have the option to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) such Note on the Put Date (as defined below) at an amount equal to its principal amount, together with interest accrued to (but excluding) the date fixed for redemption or purchase.

- (c) Promptly upon the Issuer becoming aware that a Put Event has occurred and in any event within 14 days of the occurrence of the relevant Put Event, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 12 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7.4.
- (d) To exercise the right to require the redemption or purchase of any Note under this Condition 7.4, the Noteholder must deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the **Put Period**) of 60 days after a Put Event Notice is given, such Note together with a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Notice**) in which the holder must specify a bank account to which payment is to be made under this Condition 7.4. All unmatured Coupons shall be dealt with as per the provisions of Condition 6.3.

The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note on the Put Date (as defined below), unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered shall be made, if the holder duly specifies a bank account in the Change of Control Put Notice to which payment is to be made on the Put Date, by transfer to that bank account, subject in any such case as provided in Condition 6.

A Change of Control Put Notice, once given, shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Change of Control Put Notice and instead give notice that the relevant Note is immediately due and repayable under Condition 10.

If 80 per cent. or more in aggregate nominal amount of the Notes outstanding on the day immediately prior to the Put Date have been redeemed or purchased pursuant to this Condition 7.4, the Issuer may, on not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 and to the Fiscal Agent (which notice shall be irrevocable and shall specify the date fixed for redemption or purchase) given within 30 days after the Put Date, redeem or, at its option, purchase (or procure the purchase of) the remaining Notes as a whole at an amount equal to their principal amount together with interest accrued to (but excluding) the date fixed for redemption or purchase.

- (e) In this Condition 7.4:

**Change of Control Period** means the period commencing on the Relevant Announcement Date and ending 120 days after the Change of Control (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 120 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

**Fitch** means Fitch Ratings Limited, or any successor;

**Moody's** means Moody's Investors Service Limited, or any successor;

a **Negative Rating Event** shall be deemed to have occurred, at any time, if at such time there is no rating assigned to the Notes by a Rating Agency at the invitation of the Issuer and (i) the Issuer does not, either prior to, or not later than 21 days after, the occurrence of the relevant Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Notes; or (ii) if the Issuer does so seek and use such endeavours, it is unable to obtain such rating of at least investment grade by the end of the Change of Control Period;

**Person** means, any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity;

**Put Date** means the date which is fifteen days after the expiration of the Put Period;

**Relevant Potential Change of Control Announcement** means any public announcement or statement by the Issuer, any actual or potential bidder or any advisor thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs; and

**S&P** means S&P Global Ratings UK Limited, or any successor.

## **7.5 Purchases**

The Issuer, the Guarantor or any of the Issuer's other Subsidiaries (as defined above) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Notes so purchased may be held, resold or surrendered to a Paying Agent for cancellation.

## **7.6 Cancellations**

All Notes which are redeemed will forthwith be cancelled, together with all relative unmatured Coupons attached to the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

## **7.7 Notices Final**

Upon the expiry of any notice as is referred to in Conditions 7.2, 7.3 or 7.4 above the Issuer shall be bound to redeem (or, as the case may be, purchase or procure the purchase of) the Notes to which the notice refers in accordance with the terms of such Condition (in the case of Condition 7.4, save as otherwise provided therein).

## **8. TAXATION**

### **8.1 Payment without Withholding**

All payments in respect of the Notes and Coupons by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed or levied by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) the holder of which is liable for Taxes in respect of such Note or Coupon by reason of having some connection with the Relevant Jurisdiction other than a mere holding of the Note or Coupon; or
- (b) presented for payment in the United Kingdom; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that a holder would have been entitled to additional amounts on presenting the same

for payment on the last day of the period of 30 days assuming that day to have been a Presentation Date (as defined in Condition 6).

## 8.2 Interpretation

In these Conditions:

- (a) **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12; and
- (b) **Relevant Jurisdiction** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or the Guarantor, as the case may be, becomes subject in respect of payments made by it in respect of principal and interest on the Notes and Coupons.

## 8.3 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

## 9. PRESCRIPTION

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 6.

## 10. EVENTS OF DEFAULT

### 10.1 Events of Default

The holder of any Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events (**Events of Default**) shall have occurred and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 7 days in the case of principal or 14 days in the case of interest; or
- (b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under these Conditions or the Guarantee and (except in any case where the failure is incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days following the service by any Noteholder on the Issuer or the Guarantor (as the case may be) of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, the Guarantor or any of the Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, the Guarantor or any of the Principal Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer, the Guarantor or any of the Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the

same; or (iv) default is made by the Issuer, the Guarantor or any of the Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person on the date for payment as extended by any originally applicable grace period; provided that no event described in this Condition 10.1(c) shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above, amounts to at least £40,000,000 (or its equivalent in any other currency); or

- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, the Guarantor or any of the Principal Subsidiaries save for (i) the purposes of any reorganisation, amalgamation, merger, consolidation, reconstruction or other similar arrangement on terms previously approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of the Guarantor whereby the undertaking and assets of the Guarantor are transferred to the Issuer, or (iii) in the case of a Principal Subsidiary whereby the undertaking and assets of the Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or another Subsidiary of the Issuer; or
- (e) if (i) the Issuer, the Guarantor or any of the Principal Subsidiaries ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of (A) any reorganisation (x) taking place on terms previously approved by an Extraordinary Resolution of the Noteholders, (y) in the case of the Guarantor, where all or substantially all of the undertaking and assets of the Guarantor are transferred to or otherwise vested in the Issuer, or (z) in the case of any Principal Subsidiary, where all or substantially all of the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or another of the Issuer's Subsidiaries or (B) in the case of any Principal Subsidiary, any transfer or disposal where all or substantially all of the undertaking and assets of such Principal Subsidiary are transferred to a third party for full consideration on an arm's length basis, or (ii) the Issuer, the Guarantor or any of the Principal Subsidiaries stops or announces its intention to stop payment of, or is unable to, or admits inability to, pay, its debts generally as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (i) proceedings are initiated against the Issuer, the Guarantor or any of the Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official, or an administrative or other receiver, manager, administrator, liquidator or other similar official is appointed, in relation to the Issuer, the Guarantor or any of the Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator) is not discharged within 28 days; or
- (g) if the Issuer, the Guarantor or any of the Principal Subsidiaries initiates or consents to proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors); or
- (h) if the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect; or



- (i) if the Guarantor ceases to be a Subsidiary wholly owned and controlled, directly or indirectly, by the Issuer.

## 10.2 Interpretation

For the purposes of this Condition:

- (a) **Accounting Principles** means generally accepted accounting principles in the United Kingdom, including the International Financial Reporting Standards;
- (b) **Excluded Indebtedness** means any indebtedness which:
  - (i) is owed to a member of the Group; or
  - (ii) arises pursuant to an Operating Lease; or
  - (iii) is incurred to fund the acquisition of (or which arises as a result of the acquisition of) any vehicles and/or other inventory or parts (or any interest therein) or related insurances, including any pre-order funding or other arrangements entered into in connection with the acquisition of vehicles and/or other inventory or parts or related insurances (including, without limitation, by way of sale and leaseback, lease and leaseback or in any other manner) or the refinancing of any such indebtedness incurred in connection with any of the foregoing, which, in each case, is entered into on arm's length terms and where the assets are acquired for the purposes of its trade;
- (c) **Indebtedness for Borrowed Money** means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities but excluding any Excluded Indebtedness;
- (d) **Operating Lease** means any lease or hire purchase contract or similar arrangement which is, or would be, characterised as an operating lease in accordance with the accounting principles and practices applied in respect of the Accounting Principles in force prior to 1 January 2019; and
- (e) a **Principal Subsidiary** means at any time a Subsidiary of the Issuer:
  - (i) whose net profit (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose net assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated net profit, or, as the case may be, consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that:
    - (A) if the then latest audited consolidated accounts of the Issuer and its Subsidiaries show (x) a net loss for the relevant financial period then there shall be substituted for the words "net profit" the words "revenue" for the purposes of this definition and/or (y) negative assets at the end of the relevant financial period then there shall be substituted for the words "net assets" the words "total assets" for the purposes of this definition; and

- (B) in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer;
- (ii) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (e)(ii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited as aforesaid but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (e)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition; or
- (iii) to which is transferred an undertaking or assets which, taken together with the undertaking or assets of the transferee Subsidiary, generated (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, generate net profit equal to) not less than 10 per cent. of the consolidated net profit, or represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (e)(i) above, provided that the transferor Subsidiary (if a Principal Subsidiary) shall upon such transfer forthwith cease to be a Principal Subsidiary unless immediately following such transfer its undertaking and assets generate (or, in the case aforesaid, generate net profit equal to) not less than 10 per cent. of the consolidated net profit, or its assets represent (or, in the case aforesaid, are equal to) not less than 10 per cent. of the consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated as referred to in subparagraph (e)(i) above, and the transferee Subsidiary shall cease to be a Principal Subsidiary pursuant to this subparagraph (e)(iii) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Principal Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (e)(i) above or, prior to or after such date, by virtue of any other applicable provision of this definition,

all as more particularly defined in the Agency Agreement.

### **10.3 Reports**

A report by two Authorised Signatories (as defined in the Agency Agreement) of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

## **11. REPLACEMENT OF NOTES AND COUPONS**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## **12. NOTICES**

### **12.1 Notices to the Noteholders**

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London. It is expected that publication in a newspaper will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

### **12.2 Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

## **13. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### **13.1 Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the modification by an Extraordinary Resolution (as defined in the Agency Agreement) of any of these Conditions or the Guarantee or any of the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by such person or persons, except that at any meeting the business of which includes any matter defined in the Agency Agreement as a Basic Terms Modification, including the modification of the Guarantee or certain of these Conditions (including the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

## **13.2 Modification**

The Fiscal Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders or Couponholders, to any modification of, the Notes, the Coupons or any of the provisions of the Agency Agreement which, in the opinion of the Issuer, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 12.

## **14. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having terms and conditions the same as those of the Notes, or the same except for the amount and date of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

## **15. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **15.1 Governing Law**

- (a) The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Guarantee, the Deed of Covenant or the Notes and the Coupons are governed by, and construed in accordance with English law.

### **15.2 Submission to Jurisdiction**

- (a) Subject to Condition 15.2(c), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and each of the Issuer, the Guarantor and any Noteholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition, each of the Issuer and the Guarantor waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

### **15.3 Other Documents and the Guarantor**

Each of the Issuer and, where applicable, the Guarantor has in the Agency Agreement, the Deed of Covenant and the Guarantee submitted to the jurisdiction of the English courts in terms substantially similar to those set out above.

## **16. RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES**

*The following is a summary of the provisions to be contained in the Temporary Global Note and the Permanent Global Note (together the **Global Notes**) which will apply to, and in some cases modify, the Terms and Conditions of the Notes while the Notes are represented by the Global Notes.*

### **1. Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an **Accountholder**) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of that principal amount for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 7.4 or Condition 10) other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

### **2. Payments**

On and after 19 July 2023, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be *prima facie* evidence that such payment has been made in respect of the Notes. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

### **3. Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 12, provided that, so long as the Notes are admitted to the official list of the FCA and admitted to trading on the Market, all requirements of the FCA and the London Stock Exchange plc have been complied with. Any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through the applicable clearing system's operational procedures approved for this purpose and otherwise in such manner as the Fiscal Agent and the applicable clearing system may approve for this purpose.

#### 4. Interest Calculation

For so long as Notes are represented by one or both of the Global Notes, interest payable to the bearer of a Global Note will be calculated by applying the rate of 6.500 per cent. per annum to the principal sum for the time being outstanding of the Global Note and (when interest is required to be calculated in respect of a period of other than a full six months) on the basis of (a) the actual number of days in the period from and including the Accrual Date to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date multiplied by two. The resultant figure is rounded to the nearest penny (half a penny being rounded upwards).

#### 5. Exchange and benefits

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if (each of the following being an **Exchange Event**):

- (a) an event of default (as set out in Condition 10) has occurred and is continuing; or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. Thereupon, in the case of (a) or (b) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Note for definitive Notes. Any exchange shall occur no later than 45 days after the date of receipt of the first relevant notice by the Fiscal Agent. Exchanges will be made upon presentation of the Permanent Global Note at the office of the Fiscal Agent on any day on which banks are open for general business in Luxembourg. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

In the event that (a) the Global Note (or any part of it) has become due and repayable in accordance with the Conditions or that the maturity date of the Notes has occurred and, in either case, payment in full of the amount due has not been made to the bearer, or (b) following an Exchange Event, the Permanent Global Note is not duly exchanged for definitive Notes by the day provided in the Permanent Global Note, then from 8.00 p.m. (London time) on such day each Accountholder will become entitled to proceed directly against the Issuer on, and subject to, the terms of the Deed of Covenant executed by the Issuer on 9 June 2023 in respect of the Notes and the bearer will have no further rights under the Global Note (but without prejudice to the rights any person may have under the Deed of Covenant).

#### 6. Prescription

Claims against the Issuer and the Guarantor in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 8).

## **7. Change of Control Put Option**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 7.4 may be exercised by an Accountholder giving notice to the Fiscal Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Accountholder's instruction by Euroclear or Clearstream, Luxembourg or any common depository for them to the Fiscal Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised and at the same time presenting or procuring the presentation of the Global Note to the Fiscal Agent for notation accordingly within the time limits set forth in that Condition.

Any notice given in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as applicable, by a Noteholder under Condition 7.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred in which event such Noteholder, at its option, may elect by notice to the Issuer to withdraw such notice and instead to give notice that each Note which is the subject of such notice is immediately due and repayable under Condition 10.

## **8. Cancellation**

Cancellation of any Note represented by a Global Note and required by the Terms and Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

## **9. Euroclear and Clearstream, Luxembourg**

Notes represented by a Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as appropriate. References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes, amounting to approximately £346,325,000, will be applied by the Issuer for general corporate purposes, including the repayment of borrowings incurred in the ordinary course of business (which will also result in repayment of amounts owed to one or more Joint Lead Managers given their lending relationship with the Issuer).



## UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

### REPORT BY DELOITTE LLP ON UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

# Deloitte.

Deloitte LLP  
1 New Street Square  
London  
EC4A 3BZ

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

The Board of Directors  
on behalf of Inchcape plc  
22a St James's Square  
London  
SW1Y 5LP

7 June 2023

Dear Sirs/Mesdames

#### **Inchcape plc (the "Company")**

We report on the pro forma financial information (the "Unaudited Pro Forma Combined Financial Information") set out under the heading "Unaudited Pro Forma Combined Financial Information" in the Offering Circular dated 7 June 2023 (the "Circular"). This report is required by Annex 20, section 3 of the Commission delegated regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "Prospectus Delegated Regulation") and is given for the purpose of complying with that regulation and for no other purpose.

#### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Combined Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

#### **Responsibilities**

It is the responsibility of the directors of the Company (the "Directors") to prepare the Unaudited Pro Forma Combined Financial Information in accordance with Annex 20 sections 1 and 2 of the Prospectus Delegated Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the Unaudited Pro Forma Combined Financial Information and to report that opinion to you in accordance with Annex 20 section 3 of the Prospectus Delegated Regulation.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.5R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 20 item 3 of the Prospectus Delegated Regulation, consenting to its inclusion in the Circular.

No reports or opinions have been made by us on any financial information used in the compilation of the Unaudited Pro Forma Combined Financial Information in relation to the income statement for the Derco Group. In providing this opinion we are not providing any assurance on any source financial information, including the income statement for the Derco Group, on which the Unaudited Pro Forma Combined Financial Information is based beyond the above opinion.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Unaudited Pro Forma Combined Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed at the date of their issue.

#### **Basis of preparation**

The Unaudited Pro Forma Combined Financial Information has been prepared on the basis described in note 6, for illustrative purposes only, to provide information about how the acquisition of Derco might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 December 2022.

#### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Combined Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Unaudited Pro Forma Combined Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

#### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.5R(2)(f) we are responsible for this report as part of the Circular and declare that to the best of our knowledge, the information contained in this report is, in

accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Circular in compliance with Annex 7 item 1.2 of the Prospectus Delegated Regulation.

Yours faithfully

Deloitte LLP

*Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ,*

## UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The unaudited pro forma combined income statement and related notes for the year ended 31 December 2022 (the **Unaudited Pro Forma Combined Financial Information**) has been prepared in accordance with the requirements of Annex 20 of the Commission delegated regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended to illustrate the effect that the acquisition of Derco might have had on the Group if it had been completed on 1 January 2022.

The Unaudited Pro Forma Combined Financial Information relating to the Inchcape Group (being the Group prior to the Derco Acquisition) has been extracted from the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2022, which was prepared in accordance with IFRS and has been incorporated by reference on page 12 of this Offering Circular. The Unaudited Pro Forma Combined Financial Information relating to Derco has been derived from the unaudited financial records of Derco for the year ended 31 December 2022, which has been prepared in accordance with IFRS. Following the acquisition of Derco on 31 December 2022, for the purposes of preparing the Unaudited Pro Forma Combined Financial Information, the financial information of Derco for the year then ended has been prepared using accounting policies consistent with those used in the preparation of the audited annual report and consolidated accounts of the Group for the financial year ended 31 December 2022. Derco has not published financial information in respect of the financial year ended 31 December 2022 and therefore no such financial information in respect of Derco for the year ended 31 December 2022 is included or incorporated by reference in this Offering Circular.

The Unaudited Pro Forma Combined Financial Information has been provided for illustrative purposes only.

The Unaudited Pro Forma Combined Financial Information is prepared on a basis that is consistent with the accounting policies used in the preparation of the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2022.

The Unaudited Pro Forma Combined Financial Information illustrates the impact of the acquisition of Derco, as if the transaction had been undertaken at 1 January 2022 and such hypothetical financial position or results included in the Unaudited Pro Forma Combined Financial Information may differ from the Group's actual results that would have been achieved had the acquisition of Derco occurred on 1 January 2022.

The Unaudited Pro Forma Combined Financial Information does not constitute financial statements within the meaning of section 434(3) of the Companies Act 2006 and should be read in conjunction with the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2022, and the notes related thereto incorporated by reference on page 12 of this Offering Circular.

The Unaudited Pro Forma Combined Financial Information does not contain a consolidated statement of financial position as the assets and liabilities acquired are included in the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2022, and the notes related thereto incorporated by reference on page 12 of this Offering Circular.

The following should be read in conjunction with the section titled "*Presentation of Certain Financial and Other Information*" on page vi of this Offering Circular.

All unaudited pro forma adjustments and their underlying assumptions are described more fully in the notes to the Unaudited Pro Forma Combined Financial Information.

**UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022**

Year ended 31 December 2022

In millions of £	Inchcape Group <sup>(2)</sup>	Derco <sup>(3)</sup>	Financing Adjustment <sup>(4)</sup>	Pro forma Combined Total <sup>(5)(6)</sup>
<b>Revenue</b>	8,132.7	2,247.2	-	10,379.9
Cost of sales	(6,807.4)	(1,788.7)	-	(8,596.1)
<b>Gross profit</b>	<b>1,325.3</b>	<b>458.5</b>	-	<b>1,783.8</b>
Net operating expenses	(925.0)	(303.4)	-	(1,228.4)
<b>Operating profit</b>	<b>400.3</b>	<b>155.1</b>	-	<b>555.4</b>
Share of (loss)/profit after tax of joint ventures and associates	(0.6)	1.7	-	1.1
<b>Profit before finance and tax</b>	<b>399.7</b>	<b>156.8</b>	-	<b>556.5</b>
Finance income	21.6	2.0	-	23.6
Finance costs	(88.2)	(46.5)	(11.6)	(146.3)
<b>Profit before tax</b>	<b>333.1</b>	<b>112.3</b>	<b>(11.6)</b>	<b>433.8</b>
Tax	(98.2)	(47.4)	-	(145.6)
<b>Profit for the year from continuing operations</b>	<b>234.9</b>	<b>64.9</b>	<b>(11.6)</b>	<b>288.2</b>
Loss from discontinued operations	(241.1)	-	-	(241.1)
<b>Total profit for the year</b>	<b>(6.2)</b>	<b>64.9</b>	<b>(11.6)</b>	<b>47.1</b>
<b>Profit attributable to:</b>				
Owners of the parent	(11.2)	64.9	(11.6)	42.1
Non-controlling interests	5.0	-	-	5.0
	<b>(6.2)</b>	<b>64.9</b>	<b>(11.6)</b>	<b>47.1</b>

**NOTES TO THE UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION**

**(1) Alternative Performance Measures**

This pro forma information includes the following further disclosures and performance measures, reported as ‘adjusting items’, in order to present the Group's financial results in a way that demonstrates its performance.

Year ended 31 December 2022

In millions of £	Inchcape Group <sup>(2)</sup>	Derco <sup>(3)</sup>	Financing Adjustment <sup>(4)</sup>	Pro forma Combined Total <sup>(5)(6)</sup>
<b>Operating profit from continuing operations</b>	<b>400.3</b>	<b>155.1</b>	-	<b>555.4</b>
Adjusted items within net operating expenses:	10.5	36.6	-	47.1
Acquisition and integration costs	41.7	-	-	41.7
Disposal of businesses	(14.2)	-	-	(14.2)
Accelerated amortisation and net impairments	2.7	36.6	-	39.3
Gain on pension indexation	(19.7)	-	-	(19.7)
<b>Adjusted operating profit from continuing operations</b>	<b>410.8</b>	<b>191.7</b>	-	<b>602.5</b>
Share of profit after tax of joint ventures and associates	(0.6)	1.7	-	1.1
<b>Adjusted profit before finance costs and tax from continuing operations</b>	<b>410.2</b>	<b>193.4</b>	-	<b>603.6</b>
Net finance costs	(66.6)	(44.5)	(11.6)	(122.7)
Adjusting items within net finance costs:	29.6	-	-	29.6
Net monetary loss on hyperinflation	29.6	-	-	29.6
<b>Adjusted profit before tax from continuing operations</b>	<b>373.2</b>	<b>148.9</b>	<b>(11.6)</b>	<b>510.5</b>
Tax on adjusted profit	(97.3)	(47.4)	-	(144.7)
<b>Adjusted profit after tax from continuing operations</b>	<b>275.9</b>	<b>101.5</b>	<b>(11.6)</b>	<b>365.8</b>

The disclosure of APMs in the Unaudited Pro Forma Combined Financial Information has been made to align to the presentation of the income statement as presented in the Issuer's annual report and financial statements for the year ended 31 December 2022.

These measures are not defined by IFRS and therefore may not be directly comparable with the APMs of other companies or those in the Group's industry. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements. The key APMs as below:

<b>Performance measure</b>	<b>Definition</b>	<b>Why it is measured</b>
Adjusted operating profit	Operating profit before adjusting items. Refer to the Unaudited Pro Forma Combined Financial Information.	A key metric of the Group's business performance.
Adjusted profit before tax	Represents the profit made after operating and interest expense excluding the impact of adjusting items and before tax is charged. Refer to the Unaudited Pro Forma Combined Financial Information.	A key driver of delivering sustainable and growing earnings to shareholders.
Adjusting items	Items that are charged or credited in the consolidated income statement which are material and non-recurring in nature. Refer to the Unaudited Pro Forma Combined Financial Information.	The separate reporting of adjusting items helps provide additional useful information regarding the Group's business performance and is consistent with the way that financial performance is measured by the Board and the Executive Committee.

Adjusting items reported as an APM, are items of financial performance which the Group believes should be separately identified in the notes to the Unaudited Pro Forma Combined Financial Information to assist in understanding the underlying financial performance achieved by it and the extent to which results are influenced by material unusual and/or non-recurring items. The directors consider these 'adjusted' measures to be an informative additional measure of the ongoing trading performance of the Group as they provide useful information on the underlying trends, performance and position of the Group. APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, and aid users in understanding the Group's performance.

Adjusting items can include gains or losses on the disposal of businesses, restructuring of businesses, acquisition costs, asset impairments and the tax effects of these items. Adjusting items excluded from adjusted results can evolve from one financial period to the next depending on the nature of adjusting items or one-off type activities.

### (2) *Inchcape*

The financial information of the Inchcape Group has been extracted from the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2022, which has been prepared in accordance with IFRS and incorporated by reference on page 12 of this Offering Circular.

### (3) *Derco*

The financial information of Derco has been extracted from the unaudited financial records of Derco for the year ended 31 December 2022, which has been prepared in accordance with IFRS.

Following the acquisition of Derco on 31 December 2022, for the purposes of preparing the Unaudited Pro Forma Combined Financial Information, the financial information of Derco for the year then ended has been prepared using accounting policies consistent with those used in the preparation of the audited annual report and consolidated accounts of the Group for the financial year ended 31 December 2022.

(4) ***Financing Adjustment***

The Financing Adjustment represents the incremental interest expense that would have been incurred on the £600 million of acquisition financing had the transaction completed on 1 January 2022, rather than 31 December 2022, which will be incurred on an ongoing basis until the debt is refinanced or repaid.

(5) ***Pro Forma Information***

The pro forma information does not reflect any changes in the trading results or financial position of the Group since 31 December 2022.

The impact, on the Unaudited Pro Forma Combined Financial Information, of fair value adjustments made in consolidating Derco into the Group's statement of financial position at 31 December 2022 have been assessed as being not material and therefore no related adjustment has been made in relation to fair value adjustments that may have arisen had the acquisition occurred on 1 January 2022.

(6) ***Basis of preparation***

The Unaudited Pro Forma Combined Financial Information is prepared on a basis that is consistent with the accounting policies used in the preparation of the audited annual report and consolidated accounts of the Issuer for the financial year ended 31 December 2022.

## DESCRIPTION OF THE ISSUER

### OVERVIEW

Inchcape plc is a public company limited by shares, domiciled, incorporated and registered in England and Wales. The Issuer was incorporated in the UK on 15 August 1958 under the Companies Act, 1948 with company number 00609782. The address of the Issuer's registered office is 22a St James's Square, London, SW1Y 5LP. Its telephone number is +44 (0) 20 7546 0022. The Legal Entity Identifier of the Issuer is 213800RGEH1MPPNM2T57. The website of the Issuer is <https://www.inchcape.com/>.

### HISTORY OF THE GROUP

The Group can trace its origins to 1847, when William Mackinnon and Robert Mackenzie, two merchants from Campbeltown, formed a general merchandising partnership, Mackinnon Mackenzie & Company. Since this time, the Group has continued its ongoing development. The table below sets out certain key milestones in the history of the Group.

Year(s)	Milestone
1847 .....	Mackinnon Mackenzie formed
1925 .....	Borneo Motors founded
1958 .....	The Group floated on the London Stock Exchange as IGD Ltd., with 25 per cent. of the company being offered to investors
1967 .....	Borneo Motors acquired by the Group
1981 .....	IGD Ltd becomes Inchcape plc
2000 .....	The first full year of trading as an automotive-only business
2006-2013	Period of retail expansion and acquisition across Australasia, China, Europe and the UK
2016 .....	Launch of the Group's "Ignite" strategy and a reshaping of the business towards automotive distribution Acquisition of Indumotora and expansion of Subaru business in South America Awarded contract to distribute Jaguar Land Rover in Thailand
2017 .....	Awarded distribution contracts for Peugeot and Citroen in Australia and BMW in Estonia
2018 .....	Acquisition of Grupo Rudelman and awarded contracts for the distribution of Suzuki in Costa Rica and Panama Awarded contracts to distribute BMW in Guam and Jaguar Land Rover in Kenya
2019 .....	Awarded contracts to distribute BMW in Lithuania and Kenya Acquisition of Autolider and awarded contracts for the distribution of Mercedes in Uruguay and Ecuador
2020 .....	Continued expansion of Mercedes in Central and South America, adding Colombia and El Salvador Awarded contracts for the distribution of Jaguar Land Rover in Poland and Colombia MINI and BMW Motorrad added to BMW in Chile and Peru
2021 .....	Launch of "Accelerate" strategy and the Group's "Responsible Business" plan The Group becomes the foremost distributor of Mercedes in Latin America, adding Guatemala, Barbados and the Caribbean to the portfolio Jaguar Land Rover distribution awarded for Indonesia Global strategic partnership announced with Geely, starting in Chile Acquisition of Morrico with over 25 commercial brands in Guam and several Pacific island groups



2022 .....	<p>Launch of One Inchcape Values and Behaviours: "We deliver great experiences through fresh thinking and working better together"</p> <p>Acquisition of Ditec</p> <p>Awarded distribution contracts for Porsche, Volvo and Jaguar Land Rover in Chile</p> <p>Completed acquisition of Derco</p> <p>Added Suzuki, Mazda, Renault, Great Wall, Changan and others to existing markets in Chile, Colombia and Peru and a new market, Bolivia</p>
2023 .....	<p>Acquisition of CATS</p> <p>Acquisition of Mercedes-Benz's Indonesian business</p>

## ORGANISATIONAL STRUCTURE

The Issuer is the ultimate parent entity of the Group and acts as the holding company of the Group.

## THE BUSINESS OF THE GROUP

### General

The Group is a leading independent multi-brand global automotive distributor, operating in over 40 markets and territories with a portfolio of the world's leading automotive brands. The Group operates across Asia, Australasia, Central and South America, Africa, Europe and the UK. The Group works with its brand partners, communities and governments to provide mobility solutions that enable people and goods to move through cities and the communities more sustainably, for example, by making EVs more accessible, being a partner in vehicle sharing schemes or by increasing the Group's expansion into commercial and municipal vehicles.

As at 31 December 2022, the Group employed around 20,000 people worldwide and operated or managed through third-party retailers over 1,000 points of sale, in addition to a digital sales and marketing network that extends to cover most of the Group's operations.

The Group provides effective, well-financed and customer-centred routes to markets for vehicles and parts, enabling access to a broad range of vehicles from passenger cars and motorbikes through to heavy trucks and equipment, commercial and municipal transport, while facilitating their continued use through aftersales services.

Services offered by the Group include:

- *Product planning*: Through extensive market knowledge, informing the planning and design of new models, tailoring to the needs of each geography.
- *Logistics*: Operating comprehensive port or border to showroom connections on behalf of the Group's OEM partners.
- *Brand and marketing*: Proposition development and brand positioning from pricing to promotion.
- *Channel management*: The provision of personalised and tailored marketing to the Group's customers.
- *Retail services*: Selecting and appointing independent dealers, optimising the retail portfolio across each market and implementing the omni-channel network for new and used sales, finance and insurance.
- *Aftersales services*: Servicing, body shop and parts supply through the Group's omni-channel retail network, and multi-brand parts distribution.
- *Financial services*: Providing financial services solutions to the Group's Subaru and Peugeot-Citroen customers, retail businesses and networks in Australia.

## Distribution

The Group's Distribution business is based on exclusive distribution, sales and marketing activities of new vehicles and parts by members of the Group. The Distribution business of the Group encompasses the sale of new and used vehicles together with logistics services where the Group may also be the exclusive distributor, alongside associated aftersales activities of service, body-shop repairs and parts sales. The Group's Distribution business is spread across the Americas, Asia-Pacific, Europe and Africa, with the Group maintaining distribution contacts with major brands across these jurisdictions. A breakdown of the Group's Distribution business by geography and brands as at the date of this Offering Circular is set out in the table below.

<b>Country</b>	<b>Brand partners</b>
<b>Americas</b>	
Argentina .....	Subaru, Suzuki
Barbados .....	Chrysler, Daimler Trucks, Dodge, Freightliner, FUSO, Isuzu, JCB, Jeep, John Deere, Mercedes-Benz, Mitsubishi, Subaru, Suzuki, Western Star
Bolivia .....	Changan, Chevrolet, JAC Motors, Joylong, Mazda, Renault, Suzuki
Chile .....	BMW, BMW Motorrad, Changan, DFSK, Geely, Great Wall, Haval, Hino, JAC Motors, Jaguar, Land Rover, Mazda, MINI, Porsche, Renault, Rolls Royce, Subaru, Suzuki, Volvo
Colombia .....	Citroen, DFSK, Dieci, Doosan, DS Automotives, Hino, Jaguar, Land Rover, Mack, Mercedes-Benz, Subaru, Suzuki
Costa Rica.....	Changan, JAC, Suzuki
Ecuador.....	Freightliner, Mercedes-Benz, Western Star
El Salvador .....	Freightliner, Mercedes-Benz, Western Star
Guatemala.....	Freightliner, Geely, Mercedes-Benz, Western Star
Panama .....	Suzuki
Peru.....	BMW, BMW Motorrad, BYD, Changan, Citroen, DFSK, Great Wall, Haval, Hino, Mazda, MINI, Renault, Subaru, Suzuki
Uruguay .....	Freightliner, Fuso, Mercedes-Benz
<b>Asia Pacific</b>	
Brunei .....	Lexus, Toyota
Guam .....	BMW, Chevrolet, Freightliner, Hyundai Construction, Kohler, Lexus, New Holland, Toyota, Western Star
Hong Kong .....	Daihatsu, Ford, Hino, Jaguar, Land Rover, Lexus, Maxus, ORA, Toyota
Indonesia .....	Jaguar, Land Rover
Macau .....	Daihatsu, Hino, Jaguar, Land Rover, Lexus, Maxus, ORA, Toyota
Saipan .....	Toyota
Singapore.....	Hino, Lexus, Suzuki, Toyota

Thailand.....	Jaguar, Land Rover
Australia .....	Citroen, Peugeot, Subaru
New Zealand.....	Subaru
<b><i>Europe and Africa</i></b>	
Belgium .....	BYD, Lexus, Toyota
Bulgaria .....	Lexus, Toyota
Estonia .....	BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI
Finland.....	Jaguar, Land Rover, Mazda
Greece.....	Lexus, Toyota
Latvia.....	BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI
Lithuania.....	BMW, BMW Motorrad, Ford, Jaguar, Land Rover, Mazda, MINI, Rolls Royce
Luxembourg .....	BYD, Lexus, Toyota
North Macedonia .....	Lexus, Toyota
Poland.....	Jaguar, Land Rover
Romania.....	Lexus, Toyota
Djibouti.....	BMW, Komatsu, Toyota
Ethiopia .....	BMW, Hino, Komatsu, New Holland, Suzuki, Toyota
Kenya.....	BMW, BMW Motorrad, Jaguar, Land Rover

## **Retail**

The Group's retail business is based on the sale of new and used vehicles, together with associated aftersales activities including servicing, body-shop repairs and parts sales in the UK and Europe. The Group's retail activities are primarily focussed in the UK and Poland, with the Group partnering with a number of well established brands including Audi, BMW, Jaguar, Land Rover, Lexus, Mercedes-Benz, MINI, Porsche, Smart, Toyota and Volkswagen.

A breakdown of the Group's retail business by geography and brands as at the date of this Offering Circular is set out in the table below.

<b>Country</b>	<b>Brand partners</b>
Australia .....	Isuzu Ute, Jeep, Kia, Mitsubishi, Volkswagen
Poland.....	BMW, BMW Motorrad, MINI
UK .....	Audi, BMW, Jaguar, Land Rover, Lexus, Mercedes-Benz, MINI, Porsche, Smart, Toyota, Volkswagen

## **STRATEGY OF THE GROUP**

The Group's strategy, "*Accelerate*", is focused on:

- generating more value from the Group's existing markets and customers by providing OEMs with an omni-channel route to market, with the intention of selling more goods and services to consumers while reducing the cost of taking a vehicle to market for the Group's partners;
- expanding into new and adjacent segments of the value chain and capturing more value from the vehicles sold and distributed by the Group by creating new solutions or replicating proven solutions from other markets; and
- utilising the Group's core capabilities and market presence to expand and grow in new markets and with new partners.

To realise these opportunities, the Group has identified two strategic growth drivers:

- *Distribution Excellence*: Traditional routes to market in the automotive distribution industry have seen significant disruption in recent years with far more of the customer journey and experience moving online. Additionally, the sector's supporting functions and capabilities are becoming digitalised at pace. Within this context, the Group believes it has the opportunity to accelerate the progress of its digital and technological capabilities by developing a global platform of connected systems. In order to effectively exploit this opportunity, the Group is continuing the development of its globally connected platform of digitalised processes and capabilities, combining the strength and resilience of a global business with tailored local market offering and expertise. As at the date of this Offering Circular, the Group's digital platform has been introduced to 36 OEM markets (including multiple OEM partners in single markets).
- *Vehicle Lifecycle Services*: The Group believes that it is able to derive significant level of value from the later phases of a vehicle's lifecycle and aims to utilise its existing assets, relationships and expertise to provide the platform to capture more of this value. The most significant near-term opportunity comes from the creation of a new global model for stand-alone omni-channel used car retail. Using the brand name “*Bravoauto*” and operating in the UK, this platform is ready to be scaled and introduced to the Group's markets globally. *Bravoauto* will use best practices and standardised technology in all the Group's markets. The Group believes that there is also further value to be created and captured from aftermarket services by leveraging the Group's distribution and technological expertise in the parts segment to modernise the distribution of parts by creating a platform to connect parts distributors with workshops.

## STRENGTHS OF THE GROUP

The management of the Group believes that the Group's competitive strength is bolstered by the following factors:

- *Leading digital platform*: The Group's value chain is differentiated from others by its investments in digital customer experience, in data analytics, and the provision of a global connected platform that enables the Group to deploy processes consistently worldwide, while maintaining deep local market expertise.
- *Well established OEM partnerships*: The Group has well established partnerships with a number of key OEMs, which have enabled the Group to gain an in-depth knowledge of its OEM partners' requirements and businesses. For instance, the Group has maintained continuous relationships exceeding 50 years with each of Toyota Motor Company and Jaguar Land Rover.
- *Global scale advantage*: The Group's geographic footprint extends across more than 40 markets and territories, employing around 20,000 people worldwide and operating or managing operations through a third party network of retailers and over 1,000 points of sale.
- *Strong financial position*: The Group's strong financial position provides it with the ability to act opportunistically within the fragmented distribution market to effectively take advantage of consolidation opportunities as and when they may be presented.

## **RECENT DEVELOPMENTS**

### **Acquisition of Derco**

On 28 July 2022, the Issuer announced that it had conditionally agreed to implement a business combination to acquire Derco, one of the largest independent automotive distributor in Latin America, for a cash and share consideration valuing Derco at approximately £1.3 billion on a debt free and cash free basis. The Derco Acquisition was completed on 31 December 2022.

The Americas comprises highly attractive markets with strong growth potential due to low motorisation rates, attractive demographics, and strong gross domestic product per capita growth prospects. The automotive distribution sector in the Americas is highly fragmented, with over 300 independent distributors operating across the region comprising of mostly small, multi-generation family-run businesses. Across these fragmented markets, the Group is the leading regional player in terms of the number of geographic markets in which it operates and the breadth of OEM brands that it represents.

It is with these attractive industry dynamics in mind that the Issuer completed the Derco Acquisition. The Derco Acquisition brought together Derco, which, prior to the Derco Acquisition, was one of Latin America's largest independent automotive distributor by volume, and Inchcape, a leading independent automotive distributor with broad geographic reach and brand representation. The Derco Acquisition is expected to offer the following benefits to the Group:

- brings together two leading automotive distributors in Latin America, with broad geographic reach and extensive brand representation;
- significantly expands the Group's position in highly attractive and fast growth markets within Latin America;
- combines two operators with attractive complementary market footprints and OEM brand portfolios, providing significant opportunities for customers, OEMs and employees of the Group; and
- expected to deliver significant value creation through enhanced growth prospects and realisation of meaningful recurring synergies.

### **Acquisition of CATS**

On 17 January 2023, the Issuer announced that it had reached an agreement to enter into a joint venture with CATS, a distributor of luxury vehicles in the Philippines, including the acquisition by the Issuer of a controlling stake in CATS. As part of the transaction, the Issuer will acquire a 60 per cent. stake in CATS. The transaction expands the Group's global distribution footprint as it enters the Philippines, building on a well-established presence in the Asia-Pacific region. The acquisition of CATS is also expected to strengthen the Group's geographic reach and partnerships with Chrysler, Dodge, Jaguar, Jeep, Land Rover and Mercedes-Benz, and will also add RAM to its list of brand partners. The transaction remains subject to customary conditions with completion anticipated in the second half of 2023.

### **Acquisition of Mercedes-Benz's Indonesian business**

On 31 March 2023, the Issuer announced that it had reached an agreement to acquire Mercedes-Benz's Indonesian business with the Issuer's local partner, Indomobil. The business has been operated by Mercedes-Benz since 1970, and includes both distribution and assembly operations. As part of the transaction, the Issuer will acquire 70 per cent. of the equity of existing Mercedes-Benz subsidiaries based in Indonesia with Indomobil acquiring the remaining 30 per cent. The transaction will expand the Group's existing distribution footprint in Indonesia, continuing to build on its well-established and growing presence in the Asia-Pacific region and strengthen the Group's relationship with Mercedes-Benz. The transaction remains subject to customary conditions with completion anticipated in late 2023.

## **MANAGEMENT**

### **Board of Directors**

The Issuer is managed by a Board of Directors. The Board of Directors (the **Board**) is collectively responsible

for agreeing and continually reviewing the strategy of the Group 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 Group's strategic objectives.

As at the date of this Offering Circular, the Directors of the Issuer (each a **Director**), their functions and their principal outside activities (if any) are as follows:

<u>Name</u>	<u>Position</u>	<u>Principal outside activities</u>
Nigel Stein .....	Chairman	Non-Executive Director of James Hardie Industries plc
Duncan Tait .....	Chief Executive Officer	Non-Executive Director of Agilisys
Adrian Lewis .....	Group Chief Financial Officer	None
Jerry Buhlmann.....	Senior Independent Director	Non-Executive Director of Croud and Hybrid Ltd, Serviceplan Group and Tulchan Limited
		Senior Advisor for OC&C's TMT Practice
Alex Jensen.....	Non-Executive Director	None
Jane Kingston .....	Non-Executive Director	Remuneration Committee Chair of Spirax-Sarco Engineering plc
Nayantara Bali .....	Non-Executive Director	Independent Director of Torrent Pharma
		Non-Executive Director of StarHub
Sarah Kuijlaars .....	Non-Executive Director	Chief Financial Officer and Executive Director of De Beers plc
Byron Grote .....	Non-Executive Director	Senior independent director at Tesco plc
		Deputy Chairman of the Supervisory Board at Akzo Nobel N.V.
		Board member (and Audit Chair) of InterContinental Hotels Group plc
Juan Pablo del Río Goudie .....	Non-Executive Director	Member of the board of directors of Cruzadox S.A.D.P.
		Chairman of Sodimac S.A.

The business address of the Board is 22a St James's Square, London, SW1Y 5LP. No Director has any actual or potential conflict of interest between their duties to the Issuer and their private interests and/or other duties. The Issuer maintains structures and procedures to ensure the Board's independence from management and that actual or potential conflicts of interest are dealt with appropriately.

Detailed below is brief biographical information about each member of the Board as at the date of this Offering Circular.

***Nigel Stein – Chairman***

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.

***Duncan Tait – Chief Executive Officer***

Duncan has previously served on the Board of Fujitsu Ltd, a global technology services company with responsibility for EMEA & Americas, a business with U.S.\$10 billion 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.

Duncan is also a Non-Executive Director at Agilisys.

***Adrian Lewis – Group Chief Financial Officer***

Adrian Lewis was appointed as Group Chief Financial Officer in May 2023. Adrian Lewis joined Inchcape in 2015, initially as CFO for the Emerging Markets region where he played a leading role in the Indumotora acquisition and integration, which was at that time Inchcape's most significant acquisition for many years. Adrian subsequently moved to Singapore as CFO for the Asia Pacific region, Inchcape's most profitable region. In October 2020, Adrian returned to the UK to lead the finance function as Group Financial Controller. Prior to Inchcape, Adrian held various senior finance roles at Tesco.

Adrian is a CIMA qualified chartered accountant.

***Jerry Buhlmann – Senior Independent Director***

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

***Alex Jensen – Non-Executive Director***

Alex has previously served as CEO Mobility and Convenience, Europe and Southern Africa at BP plc where, she led the region's fleet, retail and convenience food business across 14 countries. Alex graduated from Oxford University with a degree in Chinese, holds a Masters degree from Stanford and is on the Board of the charity, Mind.

***Jane Kingston – Non-Executive Director***

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.

### ***Nayantara Bali – Non-Executive Director***

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.

### ***Sarah Kuijlaars – Non-Executive Director***

Sarah is Chief Financial Officer and Executive Director of De Beers plc and was previously a Non-Executive Director at Aggreko plc, a FTSE 250 power provider. Sarah was also previously CFO of Arcadis NV, listed on the Euronext Amsterdam Stock Exchange. Prior to this, Sarah was Deputy CFO at Rolls Royce Holdings plc, and held a number of senior financial leadership roles during a 25-year career at Royal Dutch Shell plc (now Shell plc). Sarah has a Mathematics degree from Oxford University and is a Fellow of the Chartered Institute of Management Accountants.

### ***Byron Grote – Non-Executive Director***

Byron has extensive experience across a range of leading international businesses at board level, particularly in finance and chairing audit committees. Having previously been Chief Financial Officer at BP plc between 2002 to 2011, Byron is currently Senior Independent Director at Tesco plc, Non-Executive Director at InterContinental Hotels Group plc, and Deputy Chairman of the Supervisory Board at Akzo Nobel N.V. Byron has previously served on the boards of Anglo-American plc, Standard Chartered plc, and Unilever plc.

### ***Juan Pablo del Río Goudie – Non-Executive Director***

Juan Pablo is currently a member of the board of directors of Cruzados S.A.D.P. (a company with shares listed on the Santiago Stock Exchange) and is chairman of Sodimac S.A, a position he has held since 1986. He was a member of the board of directors of Falabella S.A., a company with shares listed on the Santiago Stock Exchange, between 2015 and 2020 and has held a number of senior leadership roles across a range of companies within the automotive, retail and real estate sectors in Latin America.

### **Executive Management Team**

The Group has an experienced executive management team which is responsible for the day-to-day supervision and control of the Group's business. The executive leadership is a global team of business leaders that combines a strong focus on operational excellence with a wealth of experience in automotive and a wide range of other industries, including fast-moving-consumer-goods, management services, utilities and finance. The Group Executive Team (**GET**) drives the strategic vision and operational direction of the Group on behalf of the Board.

As at the date of this Offering Circular, the members of GET and their functions are as follows:

<b>Name</b>	<b>Position</b>
Duncan Tait .....	Chief Executive Officer
Adrian Lewis .....	Group Chief Financial Officer
George Ashford .....	Chief Executive Officer – UK
Mike Bowers .....	Group General Counsel
Helen Cunningham .....	Chief Human Resources Officer
Mark Dearnley .....	Chief Digital Officer
Ruslan Kinebas .....	Chief Executive Officer – APAC



Name	Position
Romeo Lacerda.....	Chief Executive Officer – Americas
Glafkos Persianis .....	Chief Executive Officer – Europe & Africa

Detailed below is brief biographical information about each member of the GET as at the date of this Offering Circular (save for Duncan Tait and Adrian Lewis whose biographies are outlined above).

***George Ashford – Chief Executive Officer – UK***

George was appointed as Chief Executive Officer, Inchcape Asia in October 2016. George joined the Group in March 2006 as Director of Implementation, Inchcape Advantage. In this role, George led the implementation of a Group-wide strategic programme putting the customer at the heart of the Group's service initiatives. In October 2006, George was appointed Managing Director, European Retail where he led the implementation of world class retail operation programmes across the European retail network. He was also responsible for the integration of businesses acquired in the Baltics and the construction and opening of four greenfield operations in eastern Europe.

George was Chief Executive Officer, Toyota Belgium from July 2009 to December 2011, and CEO of Australasia from January 2012 to October 2016. George joined the Group from Yum Restaurants International (previously Pepsi Restaurants International), where he spent 10 years holding several senior management positions.

***Mike Bowers – Group General Counsel***

Mike joined the Group in October 2015 as Group General Counsel and is currently responsible for company secretarial, risk and compliance activities as well as the delivery of legal services across the Group. Mike has been a leading contributor to the Group's M&A programme playing a significant role in all of the acquisitions made since his appointment and has been helping the Group to grow and re-shape its business. With his team, Mike has reinforced and strengthened the Group's approach to risk management and legal and regulatory compliance across the Group in line with its aspiration to be the world's most trusted automotive distributor and retailer.

Mike is a UK qualified solicitor and seasoned legal professional. Before joining the Group, he was the Group Legal Director at TUI Travel plc and had spent 15 years working in in-house legal roles in the leisure travel industry.

***Helen Cunningham – Chief Human Resources Officer***

Helen was appointed Chief Human Resources Officer in September 2020. Helen joined the Group in 2016, initially as Human Resources Director for the UK before moving to Emerging Markets in 2017. As part of successive regional executive teams, Helen has brought a combination of deep functional expertise and strong operational leadership to her role. In particular, she has developed significant M&A capability within the business over several step-change acquisitions, working directly with the Group's OEM partners, effectively onboarding new teams and leaders, and integrating businesses. Prior to her career at the Group, Helen held a succession of director level human resources and operational roles in companies spanning a broad range of industries including banking, fast-moving-consumer-goods, private equity and strategic outsourcing.

***Mark Dearnley – Chief Digital Officer***

Mark Dearnley joined the Group as Chief Digital Officer in October 2020. Formerly, Mark was Partner at the global management consulting firm, Bain & Company where he advised clients on technology strategy, digital transformation and enterprise information technology. Prior to his role at Bain, Mark was Chief Information Officer with Premium Credit and Chief Digital & Information Officer with HMRC. He has also held Chief

Information Officer positions at Vodafone UK and Cable & Wireless. He has considerable experience in cyber-security, customer-facing digital solutions as well as delivering complex technology change across international operations.

***Ruslan Kinebas – Chief Executive Officer – APAC***

Ruslan Kinebas was appointed CEO Emerging Markets in October 2015. With a reorganisation of the Group's operational regions, Ruslan became CEO of Americas and Africa in 2019 with a core focus on inorganic expansion through M&A, before moving to lead Asia-Pacific (including Australasia) in 2021.

Ruslan joined the Group from Mondelez International, where he was Area Vice President for North and West Africa and Turkey. He is a British national and has extensive international general management experience, having worked across Russia, Europe and Africa.

***Romeo Lacerda – Chief Executive Officer – Americas***

Romeo joined the Group on 1 September 2021, from Mondelēz International Inc, where he was most recently President, Western Europe. In this role, Romeo was responsible for seven countries (France, Belgium, Netherlands, Spain, Italy, Portugal and Greece) and for brands like LU, Cote D'Or, Milka and Suchard.

Romeo has a wealth of international experience having held senior positions both in his home country, Brazil and more broadly across Latin America, EEMEA (Eastern Europe, Middle East and Africa) and Europe.

***Glafkos Persianis – Chief Executive Officer – Europe & Africa***

Glafkos joined the Group on 1 April 2020 from Vodafone Group plc where he most recently held the role of Commercial Director, UK since 2016. In this role, Glafkos was responsible for 9,000 employees and a turnover of €3.3 billion and his remit spanned from consumer business strategy and online and offline sales channels to customer operations as well as brand and digital marketing. Glafkos has significant change management and transformation experience which he developed both in this and his prior role with Vodafone as CEO, Greece.

Before Vodafone, Glafkos had a long and successful career in a range of senior management roles with PepsiCo Inc, including as GM Food & Beverage, Central Europe. Glafkos' experience in management across multiple European territories stems from this period in his career.

## DESCRIPTION OF THE GUARANTOR

Inchcape Finance plc is a public company limited by shares, domiciled, incorporated and registered in England and Wales. The Issuer was incorporated in the UK on 6 August 1987 under the Companies Act 1985 with company number 2153225. The address of the Guarantor's registered office is 22a St James's Square, London, SW1Y 5LP. Its telephone number is +44 (0) 20 7546 0022. The Legal Entity Identifier of the Guarantor is 213800XUT141E9CPRI88. The website of the Guarantor is <https://www.inchcape.com/>.

The Guarantor is over 99 per cent. owned by the Issuer, with one share being held by Inchcape Corporate Services Limited.

The Guarantor was incorporated for the purpose of operating as a finance company for companies within the Group. The Guarantor borrows and lends money on behalf of Group companies that are involved in automotive retail and distribution across the globe. The Guarantor has no subsidiaries.

### Directors of the Guarantor

As at the date of this Offering Circular, the Directors of the Guarantor, their functions and their principal outside activities (if any) are as follows:

<u>Name</u>	<u>Position</u>	<u>Principal outside activities</u>
Michael Bowers.....	Director	None
Jonathan Greenwood .....	Director	None
Tamsin Waterhouse .....	Director	None

The business address of the Board is 22a St James's Square, London, SW1Y 5LP. No Director has any actual or potential conflict of interest between their duties to the Guarantor and their private interests and/or other duties.

## TAXATION

### United Kingdom

**The following is a summary of the Issuer's understanding of current United Kingdom law and published HM Revenue & Customs' practice relating to certain aspects of United Kingdom taxation. References to "interest" refer to interest as that term is understood for United Kingdom tax purposes. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.**

#### A. Payments of interest on the Notes

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes carry a right to interest and the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. The Notes will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without deduction of or withholding on account of United Kingdom tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HM Revenue & Customs can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee which have a United Kingdom source is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemptions described above in relation to payments of interest. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate.

#### *Further United Kingdom Income Tax Issues*

Interest on the Notes that constitutes United Kingdom source income for tax purposes may, as such, be subject to income tax by direct assessment even where paid without withholding.

However, a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom who receives interest with a United Kingdom source without deduction or withholding on account of United Kingdom tax will not be liable for United Kingdom tax on such interest unless that Noteholder carries on a trade, profession or vocation in the United Kingdom, whether that trade, profession or vocation is carried on through a United Kingdom branch or agency or otherwise, in connection with which the interest is received or to which the Notes are attributable or (in the case of companies) such persons carry on a trade in the United Kingdom, whether that trade is carried on through a permanent establishment in the United Kingdom or otherwise, in connection with which the interest is received or to which the Notes are attributable, in which case United Kingdom tax may be levied on the United Kingdom branch, agency, permanent establishment or other relevant person. There are exemptions for interest received by certain categories of agent (such as some brokers and

investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

## **B. Stamp Duty and Stamp Duty Reserve Tax**

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or on a transfer of the Notes.

## **Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain (each, other than Estonia, a **participating Member States**). However, Estonia has since stated it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However the Commission's Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of any Notes are advised to seek their own professional advice in relation to the FTT.

## **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the UK) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Conditions of the Notes—Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

## SUBSCRIPTION AND SALE

Banco Santander, S.A., BNP Paribas, MUFG Securities EMEA plc, NatWest Markets Plc, ING Bank N.V. and Standard Chartered Bank (the **Joint Lead Managers**) have, pursuant to a Subscription Agreement (the **Subscription Agreement**) dated 7 June 2023, jointly and severally agreed, subject to certain conditions, to subscribe or procure subscribers for the Notes at an issue price of 99.500 per cent. of the principal amount of Notes. The Issuer has agreed to pay the Joint Lead Managers a combined selling concession and management and underwriting commission, and will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to the issue of the Notes.

### United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder.

Each Joint Lead Manager has represented, warranted and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes and the Guarantee (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes and the Guarantee within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### United Kingdom

#### *Prohibition of Sales to UK Retail Investors*

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression **retail investor** means a person who is one (or both) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

#### *Other Regulatory Restrictions*

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

### **Prohibition of Sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression **retail investor** means a person who is one (or both) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Singapore**

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

## **Belgium**

Each Joint Lead Manager has represented and agreed that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

## **General**

No action has been taken by the Issuer, the Guarantor or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.



## GENERAL INFORMATION

### Authorisation

The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 24 May 2023 and the giving of the Guarantee was duly authorised by a resolution of the Board of Directors of the Guarantor dated 24 May 2023.

### Listing

Application will be made to (i) the FCA for the Notes to be admitted to the Official List and (ii) the London Stock Exchange for such Notes to be admitted to trading on the Market. The listing of the Notes is expected to be granted on or about 12 June 2023 subject only to the issue of the Temporary Global Note.

The total expenses related to the admission to trading of the Notes are expected to be approximately £6,550.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN for this issue is XS2623504102 and the Common Code is 262350410.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

### No significant change

There has been no significant change in the financial performance or financial position of the Group since 31 December 2022 and there has been no material adverse change in the prospects of the Issuer since 31 December 2022.

There has been no significant change in the financial performance or financial position of the Guarantor since 31 December 2022 and there has been no material adverse change in the prospects of the Guarantor since 31 December 2022.

### Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor are aware) in the 12 months preceding the date of this Offering Circular which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor or the Group.

### Auditors

The auditors of the Issuer are Deloitte LLP, which are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and have audited the Issuer's accounts, without qualification, in accordance with the UK adopted international accounting standards and International Financial Reporting Standards as issued by the International Accounting Standards Board for the financial years ended 31 December 2021 and 31 December 2022. Deloitte LLP has no material interest in the Issuer.

The auditors of the Guarantor are Deloitte LLP, which are registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and have audited the Guarantor's accounts, without qualification, in accordance with UK Generally Accepted Accounting Practice for the financial years ended 31 December 2021 and 31 December 2022. Deloitte LLP has no material interest in the Guarantor.

Deloitte LLP has given and has not withdrawn its written consent to the inclusion in this Offering Circular of its report, set out in the section headed "Unaudited Pro Forma Combined Financial Information" of this Offering Circular, in the form and context in which it is included.

## **U.S. Tax**

The Notes (other than the Temporary Global Note) and Coupons will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the U.S. Internal Revenue Code of 1986, as amended."

## **Documents Available**

Copies of the following documents will be available for inspection from the website of the Issuer at <https://www.inchcape.com/investors/>:

- (a) the Memorandum and Articles of Association of the Issuer and the Memorandum and Articles of Association of the Guarantor; and
- (b) a copy of this Offering Circular.

## **Joint Lead Managers transacting with the Issuer and the Guarantor**

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer, the Guarantor and their respective affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantor and their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their respective affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer and/or the Guarantor (including in respect of the amounts to be repaid from the net proceeds of the issue of the Notes) routinely hedge their credit exposure to the Issuer and/or the Guarantor consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Yield**

On the basis of the issue price of the Notes of 99.500 per cent. of their principal amount, the yield on the Notes is 6.619 per cent. on a semi-annual basis.

The yield is calculated on the Closing Date of the basis of the issue price of the Notes. It is not an indication of future yield.

### **Interests of natural legal persons involved in the issue of the Notes**

Save for the fees payable to the Joint Lead Managers and the Paying Agents, so far as the Issuer is aware, no person, natural or legal, involved in the issue of the Notes has an interest that is material to the issue of the Notes.

### **LEI**

The Legal Entity Identifier code of the Issuer is 213800RGEH1MPPNM2T57.

#### **THE ISSUER**

**Inchcape plc**  
22a St James's Square  
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United Kingdom

#### **THE GUARANTOR**

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#### **PASSIVE JOINT LEAD MANAGERS**

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#### **FISCAL AND PAYING AGENT**

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